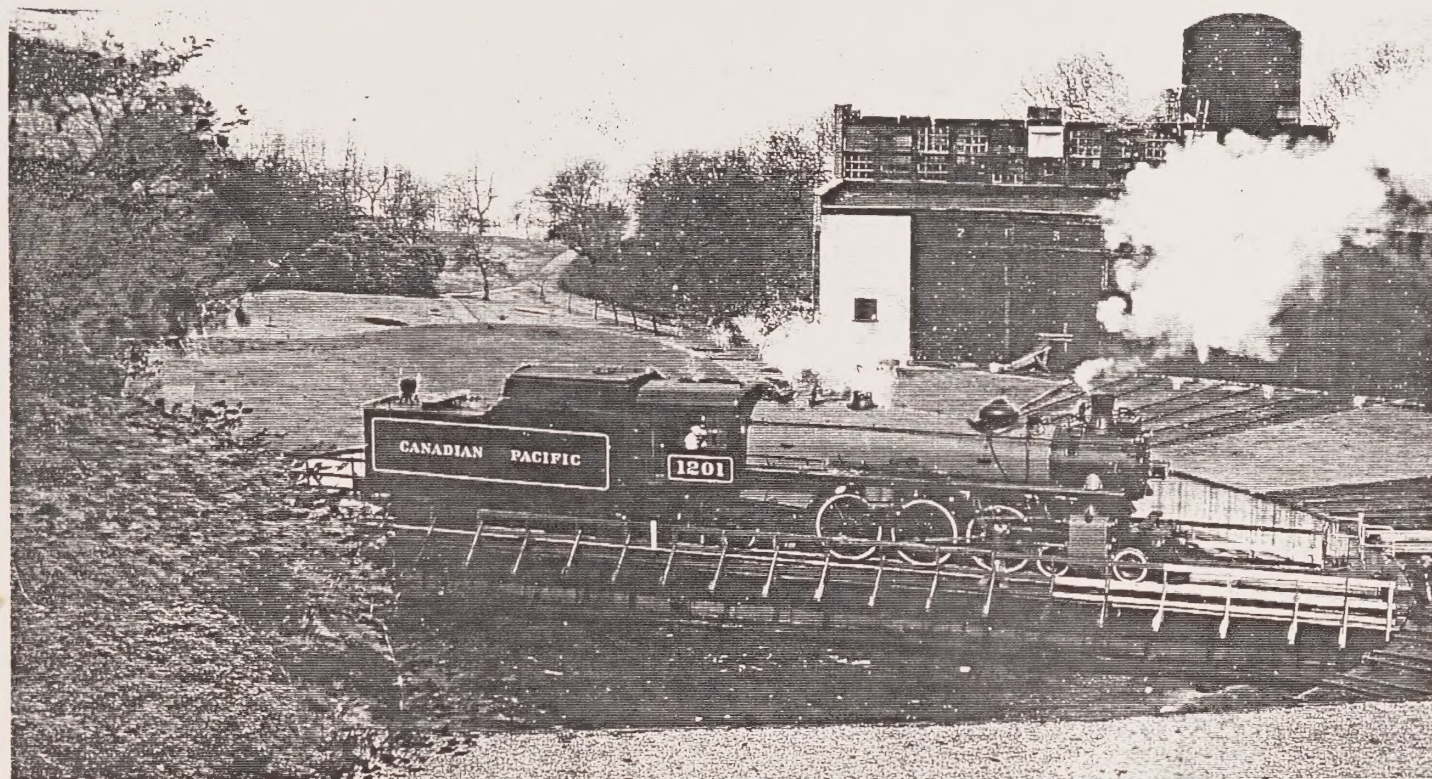


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Government
Publications

Roundhouse Park



Report of the Task Force on the John Street Roundhouse Complex

Appendices

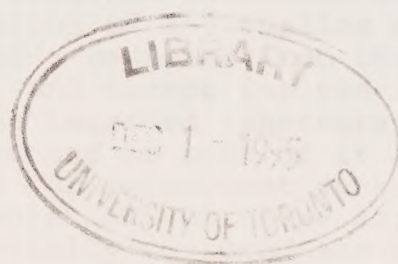
December 1994

Cover:

The photo montage of the Roundhouse complex surrounded by parkland was created by Steven McLaughlin, using photography by Greg McDonnell.

Appendix 1

Agreement Regarding the John Street Roundhouse Complex



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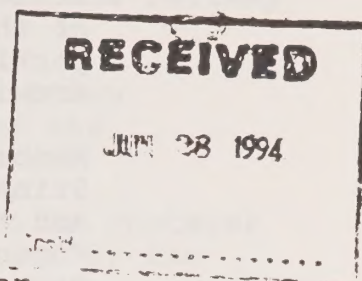


Ministry of
Municipal
Affairs

Ministère des
Affaires
municipales

Office of the Provincial Facilitator
777 Bay Street, 12th floor
Toronto, Ontario M5G 2E5
Tel. (416) 585-7474 Fax 585-7411

1 June 1994



MEMORANDUM TO: Jane Beecroft

FROM: Dale Martin
Provincial Facilitator

SUBJECT: John Street Round House Complex

AGREEMENT REGARDING THE JOHN STREET ROUNDHOUSE COMPLEX

The plan for an operating rail heritage museum, as shown in the two drawings attached, and as approved by CP Rail's designer in the Engineering Department in Montreal and as approved by the rail heritage community and by others in the heritage community, is the basis for this agreement. At the same time, this agreement recognizes that the City of Toronto is responsible under existing legal agreements for improvements to the Roundhouse.

1. All buildings and structures remaining on the John Street site will be preserved, as presently agreed to by the Metro Toronto Convention Centre (MTCC), with some removed, stored and reconstructed at their original locations except for the possible relocation of the coaling and sanding tower pending a response from the Toronto Historical Board, and except for the stores building which will be recorded (photographed and measured), removed and as much of it as reasonably possible stored for subsequent restoration when funding is available. All of these structures will be fully or partially restored and have full municipal services. These include the roundhouse with its machine shop, the turntable, water tower, coaling and sanding tower as agreed by the Toronto Historical Board, Stores Building as agreed above, and cabin D.
2. A Task Force, chaired by the Hon. David Crombie and sponsored by the Waterfront Trust, will be empowered to determine the necessary steps for creating an operating railway museum in the John



Street Roundhouse Complex, based on the provisions of this agreement and a concept for the adjoining parkland as defined below and in the attached drawings.

Membership on the Task Force will include: Jeff Stinson, Chris Andreae, Michael Hough, Chris Kyle and Klaus Dunker, and representatives from the Toronto Historical Board, the City of Toronto Parks and Recreation Department and such other members as determined by the Chair. The Province of Ontario will attend as an observer. The Task Force will meet by July 1 to report in 10 weeks.

The Task Force will have the power to call in outside expertise as required.

The Terms of Reference of the Task Force include:

- (a) development of a programme and conceptual plan for an operating museum and a concept for the park, the latter to be recommended to the City of Toronto Commissioner of Parks and Recreation.
 - (b) development of a feasibility and business plan for the construction of the museum and its operation
 - (c) giving recommendations to the City of Toronto on appointing a professional advisor to administer a national design competition for the Roundhouse Park and Rail Heritage Museum
 - (d) responsibility for securing the co-operation of the City of Toronto and MTCC in implementing the recommendations of the Task Force
 - (e) if needed, make recommendations on interim park arrangements until the complete development and operations of the museum.
3. The province has committed, as a part of the convention centre development, to substantially improve the condition of the heritage buildings.

The Minister of Culture, Tourism and Recreation will favourably consider being a funding partner for the museum project, once the work of the Task Force is complete and establishes the feasibility of the project. The Ministry will assist the Task

Force by coordinating the financing of the railway museum project.

4. A performance bond respecting the heritage buildings is already a requirement of the Expansion Project.
5. The province will undertake to assist in whatever way possible to see the recommendations of the Task Force implemented.
6. Once a feasible concept and business plan are established, the MTCC and the City of Toronto will enter into an agreement obligating the City to use the Roundhouse as an operating Railway Museum. This should not be taken as an acknowledgement by the City that it will necessarily fund the construction and operation thereafter of the museum.
7. Subsequent agreements involving MTCC and/or the province that may be necessary to implement the recommendations of the Task Force will be entered into at the appropriate time.
8. Agreements reached will be appropriately documented and these documents will be available for public inspection.
9. The limit to the upfront financial commitment by the MTCC or the province is the expected costs to the MTCC for their involvement at the Ontario Municipal Board (OMB), not to exceed \$50,000. Any further financial obligations would only be made subsequent to a review of the report of the Task Force.
10. As legal owner of the heritage buildings on the park, the City of Toronto will be responsible for improving, operating, maintaining and insuring the buildings and the site, and for ensuring that the buildings have municipal services, including water, sewerage, hydro and surface drainage, as determined appropriate for use and function.
11. MTCC will follow the recommendations of Historical Research Limited for archaeological work in precinct 6, Railway Lands.
12. MTCC will agree that the Toronto Historical Board shall monitor and approve all deconstruction, moving, storage and reconstruction, and the

restoration of historic buildings as listed in this Agreement.

13. Bays 1 to 11 of the Roundhouse will be reconstructed and restored fully with reinforcing of the roof of the convention centre, as currently agreed by the MTCC, to permit movement of rolling stock including the triangle behind the Roundhouse. In the event that the Task Force determines that further reinforcing is necessary, the MTCC will consider adding additional reinforcing on the understanding that MTCC is not responsible for any additional funding that may be required.
14. If the Toronto Historical Board and the City of Toronto give approval, the coaling and sanding tower will be relocated as proposed on the attached plan. If approval is not given, then the coaling and sanding tower will be restored by others and not at MTCC's expense on its present site. The extent of the MTCC obligations in all cases will be equal to the anticipated costs associated with the present requirements to shore up the sanding and coaling tower at its present location.
15. Additional trackage on the site to permit the development of an operating rail museum will be approved by the MTCC but installed at others expense, pending approval by the Toronto Historical Board regarding the opening of Bay 8 of the roundhouse, and Bays 1 to 11 of the roundhouse will be reconstructed and restored fully.

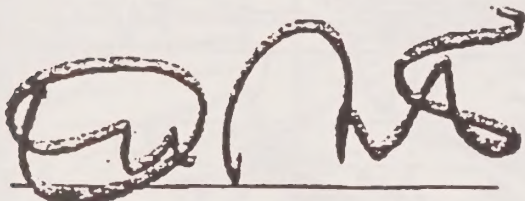
The implementation of clauses 13-15 above is conditional upon Toronto City Council's acceptance of a feasible concept, business plan and funding.

16. This agreement is conditional upon the withdrawal of appeals to Zoning By-law 1994-0181 and the support of the City of Toronto Official Plan Amendment No. 631 by all of the following objectors (the "Objectors"):
 - (a) CHP Heritage Centre, The Society for Heritage Associates
 - (b) John L. Males

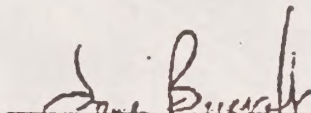
- (c) Confederation of Resident and Ratepayer Associations
- (d) John Sutt
- (e) Bloor-Junction Neighbourhood Coalition

in the form attached to Schedule 1 to this agreement. All of the Objectors' withdrawal letters, in the form attached to Schedule 1 to this agreement, must be signed and delivered to the Office of the Provincial Facilitator, no later than June 7, 1994. If the deadline of June 7, 1994 is not met, this agreement is null and void and of no further force and effect.

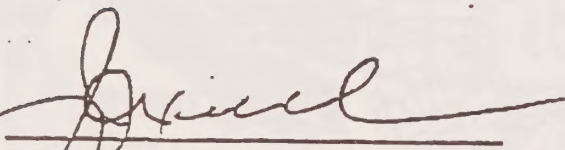
Signed at Toronto on 1 June 1994



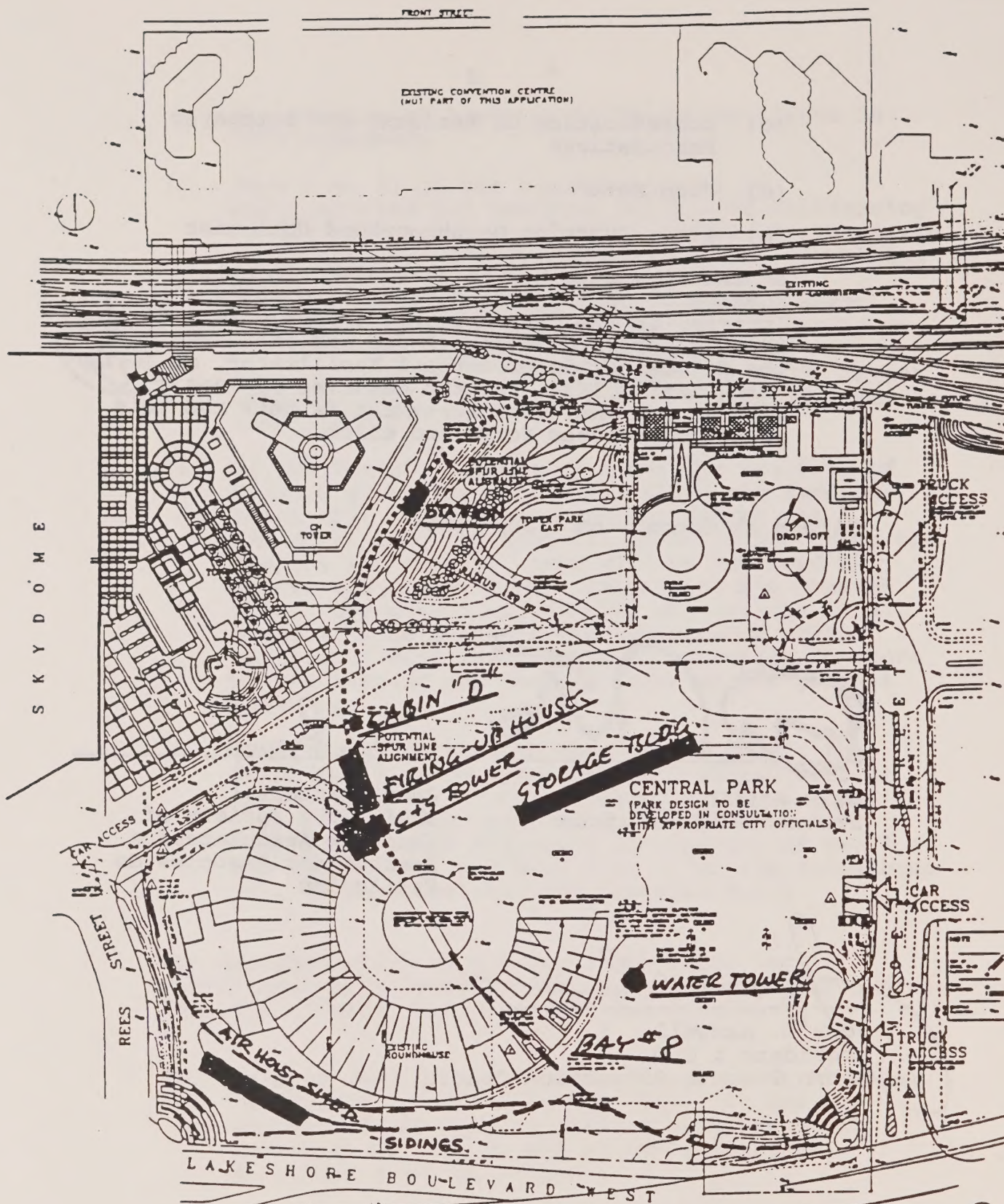
Dale Martin
Provincial Facilitator



Jane Beecroft
Chair, The Society of
Heritage Associates/La
Societe des Associes du
Patrimoine



John O. Maxwell
President & CEO
Metro Toronto Convention Centre



3

Potential Spur Line Alignment

File No 2414

Reduced Drawing

Planning and Development Department

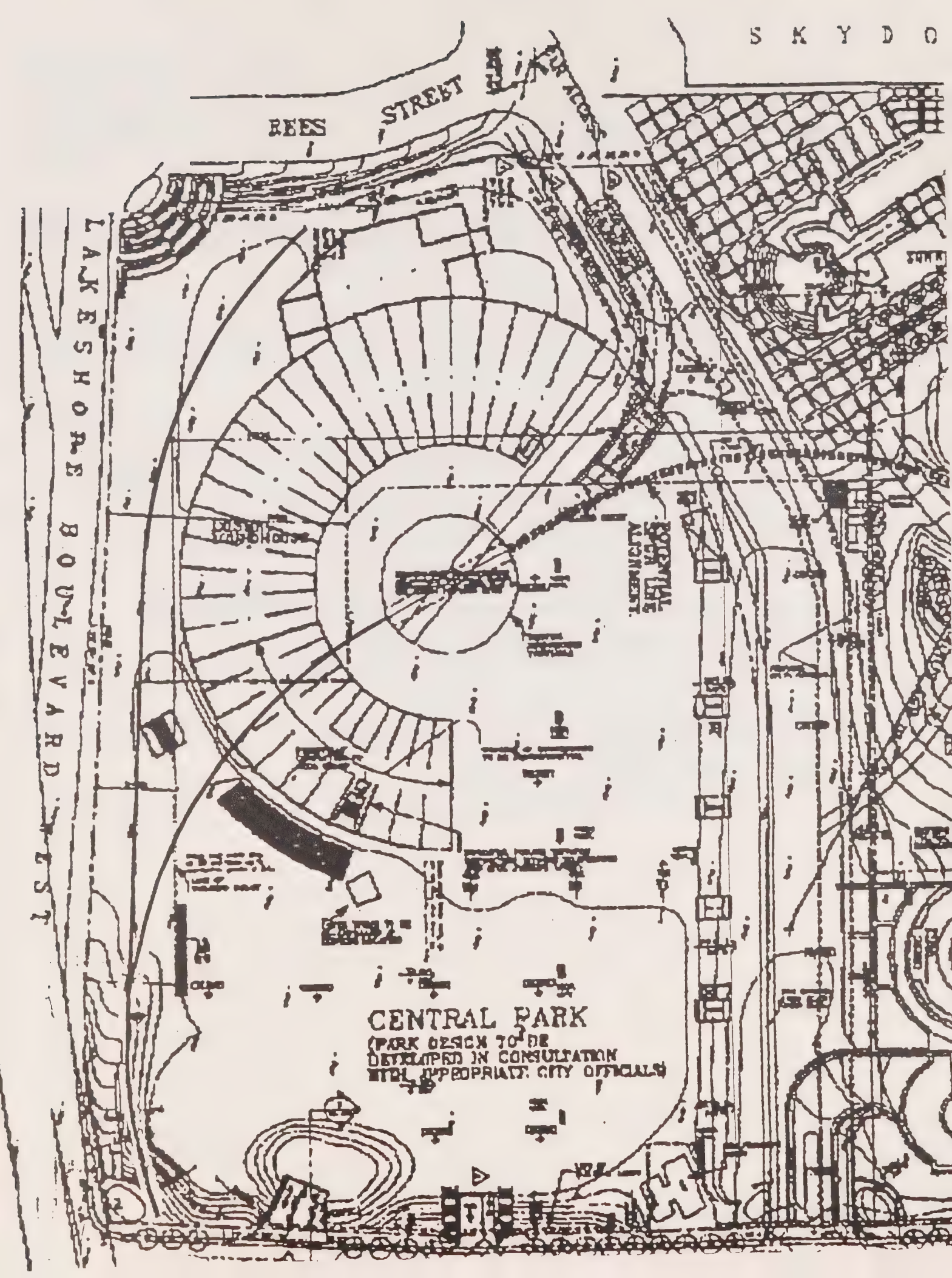
February 1994

REES STREET

LAKESHORE BOULEVARD WEST

PROPOSED
LIGHT
RAIL
ALIGNMENT

CENTRAL PARK

(PARK DESIGN TO BE
DEVELOPED IN CONSULTATION
WITH APPROPRIATE CITY OFFICIALS)



CHP Heritage Centre

The Society of Heritage Associates

La Société des Associés du Patrimoine

Incorporated Affiliate of the Ontario Historical Society

Box 498 - Suite 100

2 Bloor Street West, Toronto, M4W 3E2

Telephone: (416) 515-7546

1 June 1994

Ms. Helen Cooper, Chair,
Ontario Municipal Board,
655 Bay Street,
Suite 1500,
Toronto M5G 1E5

Dear Ms. Cooper,

Re: OMB Files 0940087 and R940124

On March 26 1994, The Society of Heritage Associates requested the Minister of Municipal Affairs to refer City of Toronto Official Plan Amendment No. 631 to the Ontario Municipal Board. Also on the same date, we appealed Zoning By-Law 1994-0181.

We now give notice that we are withdrawing both of these appeals.

Yours truly,

(Miss) Jane Beecroft,
Chair.

Ms. Helen Cooper, Chair
Ontario Municipal Board
655 Bay Street
Suite 1500
Toronto, Ontario
M5G 1E5

Delivered by hand 02Jun94 to:
Jane Beecroft, Chair CHP Heritage Centre, The Society of Heritage Associates

for:

Dale Martin
Provincial Facilitator
Ministry of Municipal Affairs
777 Bay Street
12th Floor
Toronto, Ontario
M5G 2E5

416-585-7474
416-585-7411 (Fax)

Dear Ms. Cooper;

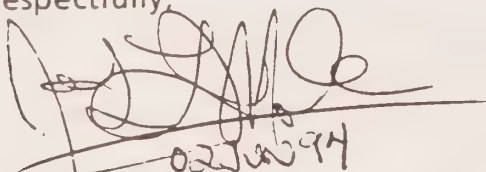
Re: Metropolitan Toronto Convention Centre Expansion
OMB Files: O940087 and R940124

By way of a letter submitted to the Ministry of Municipal Affairs dated 28Mar94 I requested the Minister to refer the City of Toronto Official Plan Amendment No. 631 (the "OPA") to the Ontario Municipal Board.

By way of a letter delivered to the City Clerk, of the City of Toronto, on 28Mar94 I also appealed the City of Toronto By-law 1994-0181 (the "Zoning By-law") to the Ontario Municipal Board.

Some of my concerns with respect to the objections of the OPA and Zoning By-law have been recently addressed. In consideration of the concerns recently addressed I hereby withdraw the above noted objections to the Zoning By-law and the the OPA.

Respectfully,



02Jun94

John L. Males
55 Eglerslie Avenue
Apt 108
Willowdale, Ontario
M2N 1X9

416-733-6507 (Business)
416-733-6622 (Business Fax)

received 2.6.94 Jane Beecroft

**CONFEDERATION
OF**

21 Dale Avenue Suite 621
Toronto, Ontario M4W 1K3
Telephone (416) 969-8994

RESIDENT & RATEPAYER ASSOCIATIONS

June 2, 1994

Ms. Helen Cooper, Chair
Ontario Municipal Board
655 Bay Street
Suite 1500
Toronto, Ontario
M5G 1E5

Dear Ms Cooper:

Re: Metropolitan Toronto Convention Centre Expansion
OMB Files: 0940087 and R940124

On March 28, 1994, the Confederation of Resident and Ratepayer Associations ("CORRA") requested the Minister of Municipal Affairs to refer City of Toronto Official Plan Amendment No. 631 (the "OPA") to the Ontario Municipal Board.

On March 28, 1994, CORRA appealed Zoning By-law 1994-0181 (the "Zoning By-law").

Conditional on the AGREEMENT REGARDING THE JOHN STREET ROUNDHOUSE COMPLEX dated June 1, 1994 (outlined in the Memorandum to Jane Beecroft from Dale Martin, Provincial Facilitator on the subject of the John Street Round House Complex) being put into force and effect, the Confederation of Resident and Ratepayer Associations hereby withdraws its appeal of the Zoning By-laws and hereby withdraws its appeal to the OPA.

Yours truly,

Confederation of Resident and Ratepayer Associations



William J. Phillips
Chair

Appendix 2

Task Force Membership

John Street Roundhouse Task Force Members

Chris Andreae

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John Maxwell

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John Street Roundhouse Task Force Members

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Fax (416) 971-2094

Res: (416)366-8930

Appendix 3

List of Those Who Made Submissions

Public Submissions

Name	Organization	Submission Type
Baechler, William		Verbal
Brett, Michael E.		Letter
Cassidy, Michael		Verbal/Written
Clegg, Bernard	Chrysler Canada, Machine Shop	Verbal
Denter, Paul	Lincoln & Continental Owners Club Inc.	Verbal/Written
Doidge, Dr. Mark	Choo Choo Charley's	Verbal/Written
Howes, Terry		Written
Kennedy, Raymond	Historian for CP Rail/Olde Time Trains	Verbal
Landry, John H.		Letter
Lanigan, James	Canadian Council for Railway Heritage	Written
Lister, Don		Verbal
Lister, Douglas A.		Letter
Males, John L.		Written
Meek, Mr.		Verbal
Monaghan, David	National Museum Science and Technology	Written
Newell, Marguerite	The Grange Historical Society Toronto	Letter
Opara, Michael	Confederation of Residents & Ratepayers Associations	Written
Ozols, Jason	Grade School Student	Verbal
Paine, Mark		Letter
Pearston, G. McGregor		Written
Ross, Arthur		Letter
Ruggles, Robert T.		Letter
Wallace, Ron		Verbal/Written

Appendix 4

Railway Artifacts Now in the Roundhouse

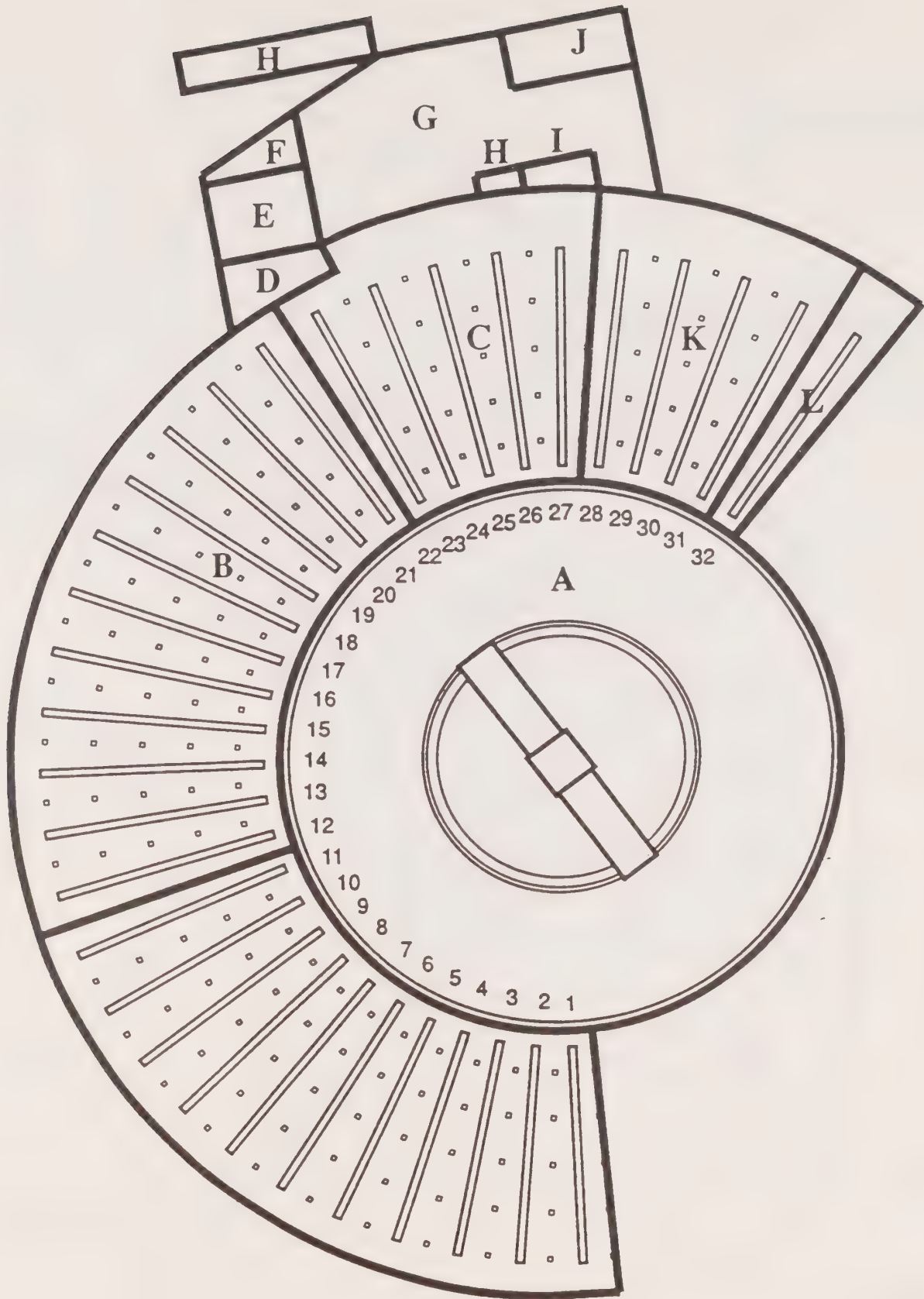
FEB 9/97

APPENDIX A: Inventory for Roundhouse

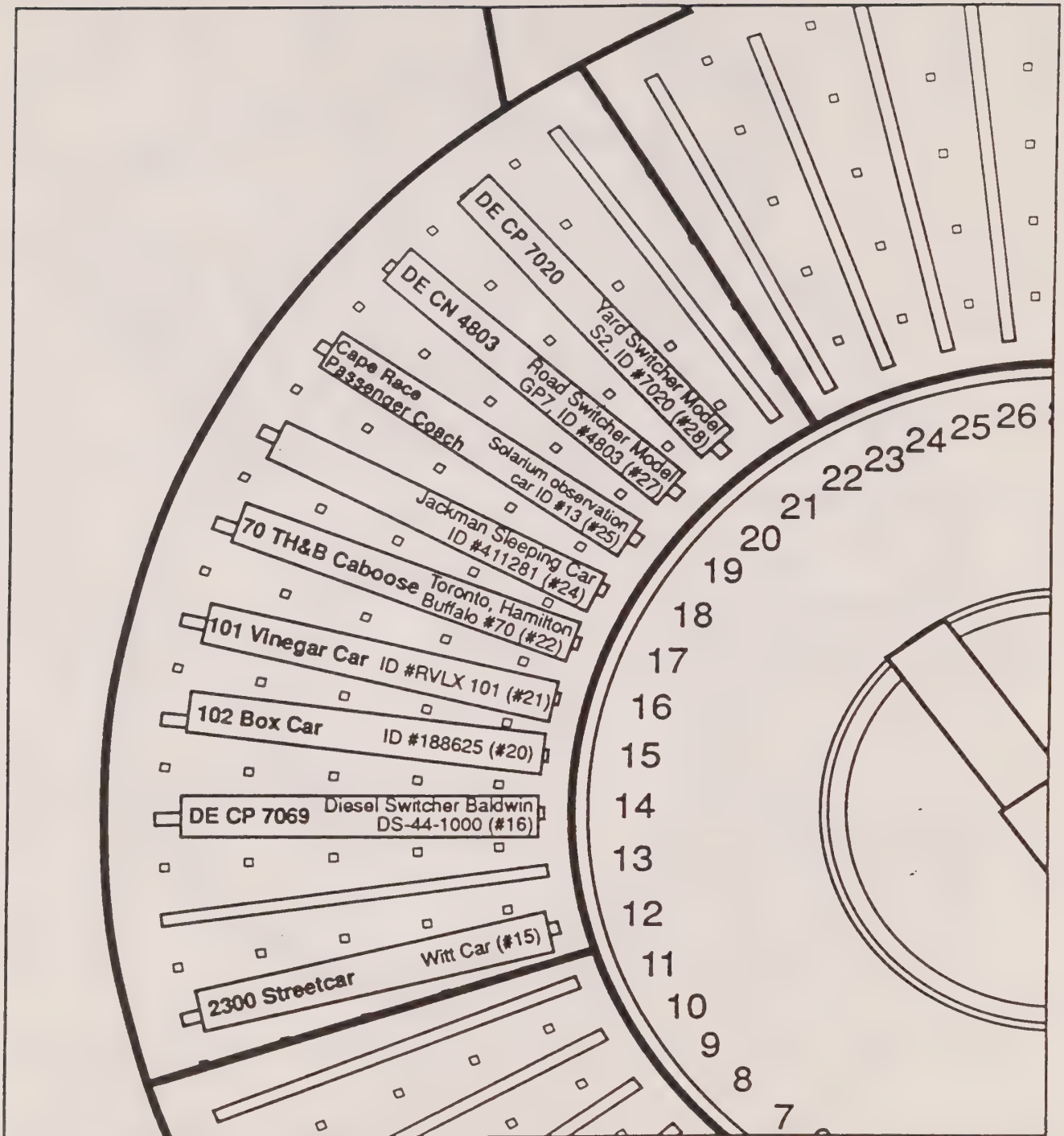
	Object Name	Location	Description
1.	1 Light standard	Area G	(Machine Shop) Hydro pole that serviced south yard
2.	Drop Tables 4	Area K	Under wooden boards in drop pit area. Approximately 4'x4' sq. They are hydraulic
3.	Car Washer	Area K	Various parts of train car washer, metal supports and brushes. Four sections. Lots of metal supports.
4.	Capstan	Area K	Large metal objects (2 parts)
5.	Air Compressor	Area K	Air compressor
6.	Lighting Fixtures	Area G	(Machine Shop) Hoops and Lamp shades from railyard poles.
7.	Hot Water Tank	Area B	(Pit #12) Hot water tank for the boiler system.
8.	AAR Type A Switcher Truck	Area B	(Pit #12) Switch truck complete with motor and roller bearings.
9.	Blunt Truck	Area B	(Pit #1) Blunt truck complete with motors and friction bearings.
10.	Transfer cables (2)	Area B	(Pit #12) Four wheel vehicle
11.	10 Ton Crane	Area B	(Pit #12) Overhead crane, electrically operated.
12.	Ceiling Exhaust Fan	Area B	(Pit #12)
13.	Scaffold	Area D	Small steel scaffold.
14.	Jackman	Area B	(Pit #18) Sleeping car with 14 sections, I.D. No. 411281. Built by National Steel Car in 1931.
15.	Scaffolding	Area B	(Pit #20) Maintenance and Repair scaffolding, colour yellow. Steel construction, 2 storeys and is on both sides of Pit #20.
16.	Yard Switcher	Area B	(Pit #21) Canadian Pacific yard switcher, Model S2, I.D. No. 7020. 1800 HP, still operational. Built by American Locomotive Co. in 1944.
17.	Lathe	Area G	(Machine Shop) I.D. No. 1124.

APPENDIX A: Inventory for Roundhouse

	Object Name	Location	Description
18.	Saw	Area G	(Machine Shop) I.D. No. L3192.
19.	Horizontal Milling Machine	Area G	(Machine Shop) I.D. No. L3525.
20.	Boring Machine	Area G	(Machine Shop)
21.	Generators	Area J	Three large floor mounted generators.
22.	Tool Cabinet	Area G	(Machine Shop) Two cabinets, welded shut. Contain railway tools i.e. drills, etc...
23.	Many objects see Description	Area D	Mens Washroom containing 5 urinals, 3 toilets, 1 shower, 7 sinks, and one disconnected hot water tank.
24.	All contents	Area 1	Articles on shelves and on floor. Railway artifacts.
25.	All contents	Area H	Railway artifacts.
26.	Many objects see description	Area K	(and First Aid room) 1 double sink complete with wood cabinet - 1 white empty wooden cabinet - 6 boxes of written material, instruction manuals for components and daily log books.
27.	Industrial Motorized Vehicle (Crane)	Area L	Large, colour orange.
28.	Shelving	Area L	Steel shelving, length of wall, three shelves high.
29.	Dolly	Area L	(Bottom Shelf) Dolly for the drop tables, located on area K.
30.	None	Area L	(Second Shelf) Unidentifiable, grey metal piece of equipment.
31.	Wooden Chimney Stacks	Area G	(Machine Shop) Removed from roof during stabilization.
32.	Metal Roof Vent	Area G	(Machine Shop) Removed from roof during stabilization.
33.	John Street Signal cabin	Area K	Wooden structure
34.	Crossing Shed	Area K	Wooden structure
35.	Cabin D	Area A	Wooden Signal Tower



Inventory Location Plan



Train Inventory Plan

Appendix 5

Economic Benefits: Tourism, Expansion of the MTCC



Expansion of the Metro Toronto Convention Centre: Tourism Economic Benefit Fact Sheet

Economic Impact

- Tourism is one of the major economic generators in Metro Toronto
 - In 1993, 26.9 million visitors generated \$5.264 billion in tourism-related expenditures
 - Metro's tourism industry generated 97,732 person years of direct and indirect employment in 1993.
- An expanded Metro Toronto Convention Centre is expected to generate the following benefits:
 - \$235 million in additional annual tourism spending.
 - 2,700 person years of employment during the construction phase.
 - 7,948 person years of additional direct, indirect and induced employment annually during the operations of the facility.
 - \$114 million in additional taxes annually; of this, \$72.2 million would accrue to the federal government, \$32.9 million to the province, and \$9.7 million locally.
 - A rate of return of \$1.47 of additional annual tourism expenditures per \$1 invested on the Convention Centre's expansion.
- Convention delegates stay in a community an average of 4.2 days and spend an average of \$1,300 per delegate.
- Conventions and meeting business represents 25% of hotel business in Metro (city centre properties are higher at 27%).
- Of 872 conventions and meetings coordinated by the Metro Toronto Convention and Visitor Association in 1993, 618,331 delegates attended generating an estimated \$649 million in revenues.
- Between 1984 and 1992 the Metro Toronto Convention Centre has held 4,983 events, of which 464 were conventions/trade shows and 3,062 were meetings.
- Prior to the expansion announcement, 40 organizations, with an economic impact of \$559 million, had indicated to the Metro Toronto Convention Centre that they could not return because of the Centre's space limitations.
- As a result of the expansion announcement, 20 tentative and 7 confirmed bookings have been received for the expanded Convention Centre. These bookings would result in approximately 217,100 attendees, using approximately 431,760 hotel room nights with an associated economic impact of \$282 million.

Convention Facts

- Conventions, meetings and special events generate significant tourist spending.

Source: Metro Toronto Convention and Visitors Association - Statistics Department



Metro Toronto Convention Centre Expansion Project

Infrastructure Benefits to the City of Toronto Fact Sheet

In addition to a tourism boost to the local economy in the order of \$235 million each year, the City of Toronto will also benefit from a significant investment in its infrastructure of roads, municipal services, parks and heritage structures. More specifically, the following investments will be made by MTCC:

- a 15 acre park will be designed and constructed offering Toronto's residents and visitors a scenic retreat in the heart of the City;
- a facelift to the historic CP Roundhouse will occur, readying it for the next stage of the rail museum plan;
- the Coal and Sanding Tower will be relocated onto a new base with its brick and masonry work substantially restored;
- several small cabins will be repaired and painted for use in the park;
- the water tower will be placed on new footings;
- the potential for a spur line from the turntable to the main rail corridor will be preserved through the structural design of specific sections of the roof;
- Simcoe Street will be constructed from the rail corridor south to Lakeshore Blvd.;
- Bremner Blvd. will be constructed from Rees Street through to York Street;
- as a result of the convention centre development, the York Street viaduct will be dismantled, significantly shortening the York Street tunnel under the rail corridor;
- a mechanical plant will be built to house Toronto District Heating Corporation. This plant will provide heating and cooling for the convention centre expansion as well as all future developments in the Railway Lands, and will offer substantial environmental benefits over traditional boiler/chiller systems.

This infrastructure investment is valued at over \$11 million and will serve as a catalyst for reuniting the downtown core with Harbourfront and for opening the presently unused, inaccessible Railway Lands to the public.



Metro Toronto Convention Centre Expansion Project

Heritage and Historical Site Conservation Fact Sheet

All partners in the project including the Province of Ontario, MTCC, Marathon Realty, and the City of Toronto, recognize that the Roundhouse and ancillary structures on the site have significant heritage value to both the local community and the Province. As a result of this recognition, a substantial investment in the preservation and restoration of these structures is being made as part of the Convention Centre expansion. In total, approximately \$3.5 million will be expended. Highlights of this investment include:

- engagement of Hotson, Bakker, recognized heritage Architects, who have developed a detailed Heritage Work Program and who will supervise all aspects of the work. This Heritage Work Program has been approved by the City of Toronto in consultation with the Toronto Historical Board prior to commencement of any heritage work;
- engagement of Carruthers & Wallace, Structural Engineers, to identify structural considerations affecting the heritage buildings and to ensure that the expansion is constructed to permit the next phase of the Roundhouse rail museum plan;
- dismantling, reconstruction and restoration of the interior and exterior of Bays 1-11 of the Roundhouse and of the exterior of Bays 12-32 in keeping with their industrial nature including cleaning, painting, and replacement of broken windows and doors;
- removal and reinstallation of the Roundhouse Turntable with the building substructure designed to take original loading of locomotives; similar reinforcement of the substructure adjacent to the turntable to permit a future spur line to the rail corridor;
- relocation of the Coaling and Sanding Tower including its installation on a structurally stable base and restoration of its masonry work;
- exterior refurbishment and relocation of several small buildings including Cabin D, the John Street Signal Tower and the Crossing house;
- provision of seed funding to the Waterfront Regeneration Trust for a task force chaired by the Hon. David Crombie, empowered to recommend the necessary steps for the creation of an operating railway museum in the Roundhouse Complex;
- engagement of noted Toronto historian Michael Filey as an independent observer throughout the course of this project and qualified archeologists from Archeological Services Inc. available throughout the course of our excavation;

We are confident that this significant investment of time and resources will ensure that the expansion of the Metro Toronto Convention Centre not only preserves but also enhances the ultimate public use and enjoyment of the Roundhouse and its unique heritage.

Appendix 6

**“Some Thoughts on Railways Museums in
Canada and the John Street Roundhouse
Project”: David W. Monaghan, September, 1994**

**Some Thoughts on Railway Museums in Canada
and the John Street Roundhouse Project**

David W. Monaghan
NMST
September 6, 1994

John Street Roundhouse Discussion Paper /1

Canadians like their railways. They are an intrinsic element of our national psyche. The majority of adult Canadians believe that "the railway" played an integral role in the development of Canada as a continental nation. Above all Canadians are reminded of the past and current importance of railways to Canadian life by the monuments which dot our landscapes - rural and urban. Bridges, right-of-ways, stations, existing railway lines, sometimes just a street name all remind us of our collective heritage and the role which railways played in shaping Canadian society.

Despite this general awareness of the importance of railway technology in the growth of our nation, historically Canadian's have been lax in preserving that heritage. Unlike most industrialized nations, much of the material evidence of Canada's early railway history has been lost. Much of what has survived did so by accident.

Ironically, it would appear that it is when the railways' influence began to wane in Canada that special interest groups undertook to collect and preserve railway artifacts. Thus, a large number of railway collections and "museums" have sprung up across the country over the last forty years. The two earliest railway collections in Canada, the Ontario Electric Railway Historical Association and the Canadian Railroad Historical Association, both of whom began collecting railway artifacts in the 1950's, are the custodians of two of the more impressive railway collections housed at Rockwood, Ont. and St Constant, Quebec, respectively.

These early collections have been supplemented by a substantial number of local and regional collections, a large number of "park" engines and specialized railway collections, one of the more notable being the Canadian Museum of Rail Travel in Cranbrook, B.C.. When it was established in 1967, the National Museum of Science & Technology even acquired a smattering of railway equipment from CN and CP in order to ensure that the railway mystique was enshrined in its halls. Today there are railway museums and collections in every province.

All of this in mind, one must say that there is not a high quality railway museum in Canada. we do not have anything which closely approximates the California State

John Street Roundhouse Discussion Paper /2

Railroad Museum, the Pennsylvania State Railroad Museum, the proposed Steamtown National Historic Site at Scranton, Pa. or the B & O Museum in Baltimore, not to speak of their national counterparts at York, England and Mulhouse, France. Apart from the size of their collections, by comparison Canadian railway museums present a pitiful spectacle. In contrast to these carefully planned and equipped institutions, with their strong emphasis upon preservation and interpretation of their collections within the parameters of a clearly defined institutional mandate, Canadian railway museums are consistently underfunded, primarily volunteer based institutions whose collections are rapidly rotting around them. In Canada, the preservation of our material railway heritage has simply meant delaying destruction through slower, more natural, means.

The John Street Roundhouse Project is undoubtedly intended to correct this state of affairs. Provided with a historic railway facility located at the core of Canada's largest city, we assume that it will undoubtedly attract substantial numbers of visitors both from the resident and tourist populations. However, each of the railway museums located in this country was established upon a similar presumption. None of the their founders expected that as the custodians of historically significant and fascinating artifacts that they would be forced to function at a subsistence level. From the information I have received so far, it would appear that the Roundhouse project is predicated upon very much the same thinking which has surrounded these other museums in their inception and subsequent history. It is a museological version of the now famous line from *Field of Dreams*. Enraptured by the idea of a railway museum located on the site of a historic railway facility and convinced of its potential, we somehow believe that "if you build it, they will come." The subsequent history of Canadian railway museums over the last forty years has proven this assumption to be wrong. While enjoying a certain popularity, railway museums have been unable to generate the level of public and private support necessary to ensure an adequate financial base to sustain collections while developing and providing imaginative programming for the public.

Why do railway museums experience difficulty in sustaining their operations? Unlike either the aviation or maritime lobby, railway enthusiasts have been unable to

John Street Roundhouse Discussion Paper /3

concentrate their efforts in the development of centres of excellence. Most importantly they have been unable to secure the substantial levels of capital and operating resources from public sources to ensure the development of at least one major institution. It ought to be noted that of all the major railway museums cited above, only the B & O Museum in Baltimore, Maryland is privately run. Until quite recently, its operations were underwritten by the B&O Railroad. When reorganized as part of the CSX Corporation, the B & O established a substantial endowment for the on-going operation of the Museum. In short, the cost of financing the construction and operation of a major railway museum require substantial public investment.

Without going into too much detail, many railway heritage groups believe that the absence of federal, provincial, or municipal funding of railway heritage projects exemplifies the bias of the cultural community which has resulted in preferential treatment of other cultural and heritage activities. Montreal, long the centre of Canada's railway industry, does not have a quality railway museum, but it does have a Museum of Humour. A cursory view of our specialized museum infrastructure in Canada demonstrates the paucity of public investment in the preservation and interpretation of our industrial heritage.

Apart from the Province of Alberta, which has invested substantial resources in the development of the Remington-Alberta Carriage Centre and the Reynolds-Alberta Museum (motor vehicles), the record remains poor. The B.C. Transportation Museum was disbanded by the province in 1993, and the collection sold or dispersed. The Nova Scotia Museum of Industry at Stellarton, after years of development nearly failed to open; its future still remains uncertain. Thus, it would appear that there is some truth to the belief that many leaders in the cultural community are uninterested in our industrial heritage, writ large, and uninformed of the enormous role which railways and other industrial sectors have played in the development of Canadian society.

While attitudes form part of the obstacles facing the development of industrial and/or transportation collections, the root of the problem lies with the costs associated with the preservation of our railway heritage. Industrial artifacts are by nature large. For

John Street Roundhouse Discussion Paper /4

example, the plans for the relocation of the Canadian Railway Museum to the old Port of Montreal recommended facilities totalling 32,200 m² to house its collection of approximately 100 railway and public transit vehicles, approximately 5,000 smaller artifacts and an extensive archives. The main exhibition building, which was intended to provide for the exhibition and interpretation of roughly 50% of the rolling stock collection as well as staff offices, library/archives and educational facilities (including a 300 seat auditorium), was 13,600 m². The projected cost for the facility was \$40 million in 1988 dollars. Apart from the cost of exhibit design and production (3.5 million), restoration costs were estimated at 1.5 million, or roughly \$30,000 per vehicle.

In hindsight, I would have to suggest that the restoration projections were not realistic, even in 1988 dollars. The cost of stabilization and cosmetic restoration of a small steam locomotive, such as the former CP 1201 at NMST, is closer to \$75,000. and the locomotive is in extremely good condition. Current estimates for repairs to place the engine in operating order are in the vicinity of \$250,000. The cost associated with refurbishing its 4 cars is an additional \$150,000. Railway vehicles, particularly freight cars or passenger vehicles of wooden construction, which have been stored in less than ideal conditions will require substantially more stabilization and repair prior to being placed on exhibit. Steam locomotives which have been stored out doors for lengthy periods require thorough cleaning, both of the interior and exterior of the boiler, running gear, and tender as part of their stabilization. Preparation costs could easily exceed \$100,000. per unit depending upon the quality of work desired.

The stabilization or restoration of historic railway equipment is a costly and labour intensive activity. Traditionally railway museums have relied upon volunteers to assist in many different aspects of their operations from programming to conservation/restoration. My own experience has shown that volunteers are an important element in the operation of any contemporary museum. However, it is not feasible to assume that volunteers can provide the majority of the work force in a functioning professional institution. To ensure strict adherence to schedules, institutional standards, and budgets, volunteers must be treated as an important human

John Street Roundhouse Discussion Paper /5

resource which assists staff in their day-to-day activities. Volunteers are a valuable human resource, not a panacea for budgetary shortfalls.

The staff complement for the Canadian Railway Museum in the Old Port of Montreal was set at 40 permanent employees which at the time was considered a minimum level that was to be supplemented with temporary summer staff, government work projects, and volunteers. The total operating budget was estimated at 2.6 million per year, of which approximately 50% was assigned to personnel costs. The staff-to-operations ratio is generally similar to that currently in place at the National Museum of Science & Technology; our permanent staff currently numbers approximately 200, inclusive of the National Aviation Museum, and our annual budget is approximately \$18 million..

As noted earlier exhibit production for the railway museum was estimated at \$3.5 million in 1988 dollars. This amount provided for the installation of exhibit related lighting systems, graphics, photographs and associated materials which are considered to be an important aspect of contemporary museum exhibit design. At NMST there are a variety of estimates associated with exhibit production. The bare minimum runs at about \$150. per square foot and is usually associated with temporary exhibits featuring large, artifacts such as railway equipment or automobiles.

It may seem ridiculous to say so, but exhibit design should not be dismissed when discussing railway or other transportation Museums. Steam locomotives, railway passenger cars and streetcars are light sinks whose design make viewing the under-carriage virtually impossible in interior spaces. Consequently, exhibit designers must find the means of providing adequate lighting to both exhibit and highlight significant or dramatic aspects of these machines. Lighting accompanied by informative and effective graphics, photographs and labels are the minimum elements required to stimulate and maintain public interest in a museum. The California State Railway Museum in Sacramento is probably the finest example of a well interpreted collection supported by excellent exhibit design.

John Street Roundhouse Discussion Paper /6

I feel that the foregoing comments may suggest that I am against the idea of constructing a railway museum at the John Street Roundhouse. In fact, I firmly believe that a transport related museum installed in the facility has greater potential to flourish than any similar museum in this country. This is due to the excellent location of the facility and its proximity to transportation routes (land, rail, public transit, even air). If my comments appeared negative it is only because I am concerned that the project will repeat previous mistakes. To this end I have a number of general suggestions which I believe may help the committee in its work.

1. Theme

Railway Museums are potentially attractive institutions. However, given the location of the facility would you not consider the possibility of enlarging the institutional mandate to include a broader land transportation theme? Given the limited public funds available for cultural projects and the very competitive nature of fund raising activities, a broader based institution increases the possibility of funding from both the private and public sectors. A broader based institution offer greater marketing and programming potential as it could draw upon sectors of the population who would be attracted by a range of subjects from horse drawn vehicles to trucks and inter-modal service. In terms of Canadian museums, this would be a novel approach whose inter-disciplinary approach would be quite innovative and would suite Toronto's historic role as a transportation hub.

However, should a decision be made to retain a concept based upon a railway theme, I would suggest that the planners concentrate upon developing a theme based upon railway operations with a strong emphasis upon railway workers. In most railway museums the running and shop trades are frequently treated as mere appendages to the more important subject of "the machines." This type of technological determinism avoids the human aspect of railway operations and fails to establish the relationship between the nature of work, technology and society. This approach would also be innovative and would provide ample excuses to explore a wide range of subjects.

One important consideration at the moment is how you will assemble a collection for

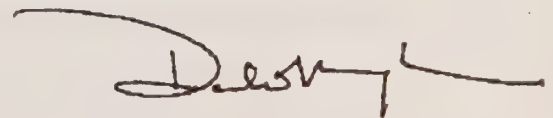
John Street Roundhouse Discussion Paper /7

the railway museum. The railway equipment currently housed in the roundhouse dates primarily from the 1950's. This does not appear to fit a project initially intended to explore "the steam era." I would only caution the committee that it should seriously explore the issue of the collection, before they commit themselves to a single course of action. Adequate and representative artifacts may just not be there.

2. Organization

In discussing the financial woes of Canadian railway museums I failed to note one of their inherent weaknesses. That is their inability to develop a broad base of support and a group of dedicated stakeholders outside of their specific field (i.e. non railway enthusiasts). They are consistently weak at the board level and are lacking the necessary communication links with government and business. While I expect that a project as large as the John Street Roundhouse would attract a very dynamic and high profile governing body, I must emphasize the importance of ensuring the project has a well connected board of trustees.

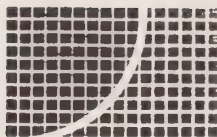
Thank you for the opportunity to speak with the committee on the subject of the John Street Roundhouse. I would be happy to continue to work with you on this project should you require any further assistance.



David W. Monaghan
Curator, Land Transportation
National Museum of Science & Technology
6 September 1994

Appendix 7

John Street Roundhouse Feasibility Analysis: The Economic Planning Group of Canada



THE ECONOMIC PLANNING GROUP of Canada
Tourism and Management Consultants

November 4, 1994

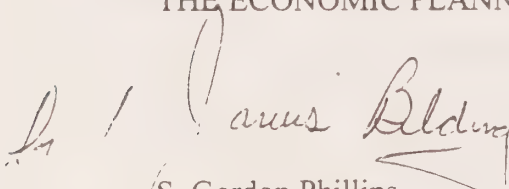
Mr. David Carter
Deputy Commissioner
Waterfront Regeneration Trust
207 Queen's Quay West
Toronto, Ontario
M5J 1A7

Dear Mr. Carter;

We are pleased to enclose three copies of our final report on the Roundhouse Park project. We have enjoyed our involvement with the Task Force and we look forward to attending the balance of the meetings and to discussing our findings.

We would like to take this opportunity to thank you and the members of the task force for the invaluable advice and input and we trust that we will have the opportunity of being of service to you again in the future.

Yours truly,
THE ECONOMIC PLANNING GROUP Of Canada


S. Gordon Phillips
Managing Partner

***JOHN STREET
ROUNDHOUSE
FEASIBILITY
ANALYSIS
FINAL REPORT***

prepared by

THE ECONOMIC PLANNING GROUP of Canada

November, 1994

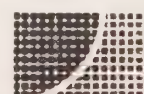


THE ECONOMIC PLANNING GROUP of Canada

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SECTION I

INTRODUCTION



THE ECONOMIC PLANNING GROUP of Canada
Tourism and Management Consultants

SECTION I

INTRODUCTION

The Economic Planning Group (EPG) was engaged, by the Waterfront Regeneration Trust, to assist the Roundhouse Task Force in its efforts to determine the feasibility of developing the John Street Roundhouse into an operating rail museum.

EPG's scope of work in this project included a review of available markets, research into the market and financial performance of comparable attractions and an analysis of the likely market and financial performance of the proposed facility. A particular focus of the EPG assignment was to identify strategies and additional concept elements that might enhance the ability of the proposed facility to achieve a financially self sufficient level of operation.

Prior to reviewing the financial analysis presented in this report, the reader should note the following issues;

- Our research into comparable attraction operations and our experience in the industry has demonstrated that museum and heritage attractions are rarely self-sufficient on a financial basis. In fact, we are not aware of any such facilities that are completely self-supporting from operating revenues.
- The Roundhouse Park concept, developed by the Task Force is somewhat preliminary in nature, in that, all of the concept elements have not, as yet, been thoroughly defined. Our projections, therefore, are also preliminary in nature. They should be seen as providing orders of magnitude estimates of the market and financial performance of the proposed facility. More refined projections for the project should be developed after the final concept and initial design work have been completed.
- Our projections assume that the facility will be managed on a revenue maximization basis. In other words, management will be professional and will focus on maximizing attendance and income and will work toward clearly defined financial objectives. This issue is raised for two key reasons. In our experience, attractions which are operated by the public sector tend to exhibit higher operating costs than independent operations. Secondly, the reader will note that we have established commercial level marketing budgets for the concept being analysed. Again, it is our experience that public sector operations do not generally invest with these

levels of marketing expenditure. If these marketing expenditures are not made, the proposed attraction will not achieve the market penetrations, attendance and visitor expenditure levels that have been forecast in our analysis. This, of course, would result in increased operating deficits for the facility.

- The financial projections in this report assume that the attraction has attained a mature level of growth in the marketplace (likely four to five years after the initial opening). The reader should be aware that the market and financial performance of the attraction is likely to be materially different during the early years of operation, due to a less than mature level of market awareness, as well as operating inefficiencies.
- This report does not include an analysis of the proposed steam excursion train operation. At this time, there are simply too many unknowns with regard to the excursion concept, programming and operating cost, to develop any dependable estimates of performance and cost. Also, it is not as yet known whether this will be a technically feasible operation at this location.
- Our analysis is based on the assumption that the project occurs at the John Street Roundhouse location. Locating some or all of the project at another location could significantly alter market and financial performance.

The analysis to follow has been developed in three parts. Section II of the report presents our analysis of the Phase I Roundhouse concept as developed by the Task Force. In Section III, we have examined the financial impact of adding a number of commercial elements to the concept, while in Section IV we have analyzed the effect of maximizing the commercial attraction aspect of the project.

The projections presented in this report are speculative in nature, and while we consider them to be reasonable based on the information available from comparable attractions, we do not warrant that they are so. It will be important to undertake further research and analysis once the concept has been more fully defined. The current analysis is sufficient for a realm of magnitude assessment, but it falls significantly short of investment-grade analyses.

SECTION II

ANALYSIS OF PROPOSED TASK FORCE CONCEPT



THE ECONOMIC PLANNING GROUP of Canada
Tourism and Management Consultants

SECTION II

ANALYSIS OF PROPOSED TASK FORCE CONCEPT

DEMAND GENERATING ELEMENTS OF THE CONCEPT

The following is a brief description of Phase I of the Task Force's concept for Roundhouse Park. This description is focussed only on the demand generating elements of the plan, those features and elements that will attract paying visitors to the Roundhouse.

The Task Force has proposed that approximately one third, or 33,000 square feet of the Roundhouse be upgraded to a level suitable for year round visitor use. The key attraction elements currently planned for the re-finished space include:

- Five thousand square feet of static exhibits which will help to interpret the railroad in the steam era for Roundhouse visitors;
- an undetermined number of refurbished rail rolling stock, likely four to six pieces (the balance of the existing rolling stock, along with two engines would on display in other areas of the Roundhouse);
- a working model rail road system, which may be based on the Roundhouse and Toronto area rail operations in the steam era;
- a 200 seat orientation and film theatre which will be used to screen films related to the railroad and the Roundhouse;
- a range of artifacts relating to the Roundhouse, the railroad and the steam era.

In addition to the exhibits and attractions in the re-finished area of the Roundhouse, there will be two refurbished and operational steam engines on display. Furthermore, the Roundhouse turntable will be operational and the engines will be employed to move rail cars into and out of their Roundhouse bays via the turntable. It is anticipated that visitors will be invited to ride in the rail cars during these demonstrations. For the purpose of our analysis, we have not considered either the income or expense implications of the initially proposed train ride from the turntable, through the Roundhouse and back.

Facility planning should ensure, by means of large windows overlooking the area where the engines are to be parked, that visitors will be able to view the steam

engines from inside the heated area, so that they will not be forced to go outside during the colder winter months.

Other demand generating elements will include the refurbished coaling and sanding tower and the water tower.

The attraction will also include retail facilities featuring such merchandise as books, artifact replicas, models and souvenirs related to steam trains and the railroad.

The facility will also include a food service facility to cater to the anticipated number of visitors.

The city proposes to establish a grass-and-trees style park on the remaining lands of the site with several rail cars & other elements (eg. lighting, benches, etc.) to reflect the rail theme.

ANALYSIS OF THE CONCEPT

Attendance

Our methodology of estimating attendance for attractions of the nature of the Roundhouse Park project is to examine how similar attractions perform in their markets, compare the demand generating characteristics of the similar attractions to the attraction being analyzed, and then to develop estimates of the probable level of market penetration the new attraction will achieve based on this competitive advantage analysis. An effort is made to match attractions of a similar scale and similarly sized markets.

Exhibit 1 presents the market penetration performance of a series of attractions which can be compared to the Roundhouse project. The comparable attractions have been grouped on the basis of the size of the investment (or probable replacement cost) and the size of the market in which they are situated. For the purposes of this analysis, "modest" investment is seen to be in the order of \$10 million to \$50 million, while "large" investment is seen to be anything well in excess of \$50 million.

As the exhibit demonstrates, modest attractions in small marketplaces report the highest levels of penetration into tourist markets and tend to penetrate resident markets almost as well as the large investment attractions situated in larger markets. This high performance level is typically due to a lack of competition in the smaller market areas.

EXHIBIT 1
KEY COMPARABLES MARKET PENETRATION
MODEST INVESTMENT AND LARGE MARKET

	RESIDENT	TOURIST
B&O Museum	3.80%	1.13%
California State R.R. Museum	1.36%	5.28%
AT&T Infoquest Centre	1.29%	0.35%
Museum of Broadcasting	0.36%	0.25%
Black Creek Pioneer Village	1.83%	0.94%
Casa Loma	2.15%	1.08%
AVERAGE PENETRATIONS	1.80%	1.51%

KEY COMPARABLES MARKET PENETRATION
LARGE INVESTMENT AND LARGE MARKET

	RESIDENT	TOURIST
Metro Zoo	8.73%	3.91%
Art Gallery of Ontario	5.56%	0.76%
Ontario Science Centre	19.66%	1.34%
Royal Ontario Museum	7.55%	2.86%
AVERAGE PENETRATIONS	10.38%	2.22%

KEY COMPARABLES MARKET PENETRATION
MODEST INVESTMENT AND SMALL MARKET

	RESIDENT	TOURIST
Strasburg R.R. Museum	8.10%	2.31%
Ste. Marie Among The Hurons	7.20%	23.40%
Old Fort William	21.40%	8.60%
Naval & Military Establishments	1.40%	4.50%
AVERAGE PENETRATIONS	9.53%	9.70%

In our opinion, the most comparable of these attractions (from a market performance perspective) are those listed under the category of modest investment and large market. These attractions average a 1.8% penetration into the resident market and a 1.5% penetration into their available tourist markets.

Exhibit 2 presents our estimate of the likely mature attendance for Phase I of the Task Force concept for Roundhouse Park. We have estimated market penetration levels for the proposed attraction of 1.8% into the resident market within 30 kilometres of Toronto, 0.18% into the resident market within 120 kilometres of Toronto, 0.7% into the tourist day trip market and 1.3% into overnight tourist market. These penetration rates result in an estimated attendance of approximately 325,000 visitors annually for the Roundhouse Park project.

However, it must be remembered that the location of the Roundhouse is particularly promising from a potential attendance perspective. Immediately adjacent attractions such as the Skydome, the Convention Centre and the CN Tower attract in excess of fourteen million visitors into the immediate area of the Roundhouse annually. In our opinion, a reasonable number of these visitors to the other attractions could be persuaded to visit the Roundhouse in addition to their chosen attraction. We have therefore prepared an estimate of the likely level of attendance the roundhouse might expect from these specific markets as presented in Exhibit 3. It should be noted that other attractions in the core area will also have a beneficial impact, particularly Harbourfront which is a comfortable walking distance from the site. In the interests of being conservative, we have not assessed the direct impact of these other attractions on Roundhouse attendance.

Approximately 50% of the Skydome visitors are attending sporting events. These individuals will be the most difficult to attract as they would be on their way to an event with a specific starting time and have relatively little time, on average, to attend an additional attraction. We estimate that the roundhouse should be able to capture approximately 1% of the Skydome market.

Convention Centre guests should be somewhat easier to attract, especially if the Roundhouse promotes to convention planners. We have estimated a 2.25% penetration into the Convention Centre market.

The CN Tower audience will likely be the most promising for the roundhouse, as these individuals are already on a sightseeing type of excursion and are likely to have a reasonable amount of free time. We have projected a 2.5% penetration into this market.

These penetration rates are probably conservative, and could be enhanced through cooperative programming and marketing initiatives.

**EXHIBIT 2
ATTENDANCE PROJECTION
PROPOSED CONCEPT**

MARKET SIZE

RESIDENT MARKET

Within 30 k	3,150,000
Within 120 k	3,360,000

TOURIST MARKET

Day Trip	12,663,415
Overnight	13,351,585

MARKET PENETRATION

RESIDENT MARKET

Within 30 k	1.80%
Within 120 k	0.18%

TOURIST MARKET

Day Trip	0.70%
Overnight	1.30%

BASE ATTENDANCE ESTIMATE

RESIDENT MARKET

Within 30 k	56,700
Within 120 k	6,048
sub total	62,748

TOURIST MARKET

Day Trip	88,644
Overnight	173,571
sub total	262,215
TOTAL	324,963

**ESTIMATE OF ADDITIONAL
ATTENDANCE FROM
SYNERGIES**

126,875

**ESTIMATE OF TOTAL
ATTENDANCE**

451,838

EXHIBIT 3
ESTIMATES OF ADDITIONAL ATTENDANCE
(SYNERGIES WITH NEIGHBOURING ATTRACTIONS)

ATTRACTION	SKYDOME	CONVENTION CENTRE	CN TOWER	
ATTENDANCE	10,000,000	3,000,000	1,400,000	
PENETRATION RATES				
	1.00%	2.25%	2.50%	
POTENTIAL ATTENDANCE				
	100,000	67,500	35,000	
DISCOUNT FACTOR	50%	25%	25%	
ESTIMATED ADDITIONAL ATTENDANCE				TOTAL
	50,000	50,625	26,250	126,875

It must be noted, however, that the people who are visitors to the neighbouring attractions have already been counted in our previous market analysis. Additionally, a large number of the Skydome visitors attend the facility on numerous occasions in the course of a year. In order to correct for double-counting, therefore, we have discounted our estimates by 50% for Skydome visitors and 25% each for Convention Centre and CN Tower visitors.

We estimate, therefore that as a result of the potential synergies with the neighbouring attractions, the Roundhouse attendance will be enhanced by approximately 127,000 over and above what would be generated by the attraction in a less favourable location. These synergistic impacts could potentially be enhanced through the introduction of special events/festival programming.

Visitor Length of Stay and Spending

Our research has shown us that visitors to heritage type attractions tend to spend in the range of two to four dollars per hour of stay. This spending level is generally lower than one would expect to find at a commercial attraction, and this is due primarily to the fact that heritage attractions, by their nature, do not offer as many opportunities to the visitor to spend money, and few of them are pro-active in maximizing revenue opportunities. Commercial attractions, by comparison, generate hourly spending in the \$3.00 to \$6.00 range.

In the case of the Roundhouse we estimate that the following per capita, per hour spending levels, by category, should be achievable:

•	Admissions	\$2.00
•	Food and beverage	\$0.75
•	Retail	\$0.50
•	Miscellaneous	<u>\$0.20</u>
•	Total	\$3.45

It should be noted that net admissions revenue of \$2.00 would require an adult admission price in the \$3.00 to \$3.50 range, to allow for discounting for children, seniors, groups etc.

Total visitor spending is based, therefore, on the anticipated visitor length of stay which is calculated in Exhibit 4. We have estimated the amount of time the average visitor is likely to spend at each of the facility's attraction elements and the percentage of the visitors who will participate in each of the elements. We project that the average Roundhouse visitor will spend approximately 73 minutes at the attraction.

EXHIBIT 4
LENGTH OF STAY ANALYSIS

ELEMENT	REQUIRED TIME (MINUTES)	PARTICIPATION RATE (%)	NET TIME (MINUTES)
ORIENTATION	8	80%	6.4
EXHIBITS (5,000 sq.ft.)	20	90%	18
ROLLING STOCK	20	90%	18
TURNTABLE\RIDE	10	80%	8
MODEL TRAINS	15	80%	12
FOOD & BEVERAG	20	30%	6
RETAIL	15	30%	4.5
QUEUING TIME	0%		0
TOTAL	108		72.9 (minutes) 1.22 (hours)

This length of stay will generate total per capita spending, therefore, in the range of \$4.19.

Mature Year Financial Projection

Exhibit 5 presents our projected mature year proforma of operations for the Task Force's Phase I Roundhouse Park concept.

The per capita spending estimates discussed earlier are multiplied by the attendance estimates to derive total income projections. We estimate total income for the facility should be in the range of \$1.89 million.

Estimates of income from sponsorship and the sale of membership have not been included. These estimates are currently being prepared by another member of the consulting team.

Cost of sales estimates assume that both the food service and retail operations would be leased out to private sector operators. Rental income to the facility is projected at 15% of total sales.

Exhibit 6 presents our estimate of management and labour costs for the Roundhouse. We project that the facility will require eight management staff, three clerical staff, and between 25 and 30 janitorial, maintenance, hosting, interpretive and ticketing staff. Staffing levels and income levels are based on advice from The Toronto Historical Board and on the experience of comparable facilities.

We have learned that many railroad heritage facilities have had a great deal of success in attracting volunteers to do much of the required staff work. While it is virtually impossible to estimate the value of potential volunteers, we have provided a credit allowance of \$150,000 against the labour cost estimate in order to account for the value of volunteer assistance.

Estimates of benefits costs are based on 18% of total salaries and wages. Utilities costs are based on advice from the City of Toronto. We have also allowed for an annual budget of \$150,000 for the acquisition and restoration of rolling stock. All other operating and overhead cost estimates are based on operating norms for the attractions industry in Ontario.

We estimate that the base Phase I concept as proposed by the Task Force will require an annual operating subsidy in the range of \$1.4 million dollars. To the extent that sponsorship and membership income is available, the operating subsidy would be reduced.

EXHIBIT 5 ROUNDHOUSE MUSEUM PROJECT

ATTENDANCE		
RESIDENT MARKET		
Within 30 k		56,700
Within 120 k		6,048
sub total		62,748
TOURIST MARKET		
Day Trip		88,644
Overnight		173,571
sub total		262,215
SYNERGISTIC ATTENDANCE		126,875
TOTAL		451,838

LENGTH OF STAY (Hours)	1.22
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HOURLY PER CAPITA SPENDING		
Admission		\$2.00
Food and Beverage		\$0.75
Retail		\$0.50
Miscellaneous		\$0.20
TOTAL		\$3.45

TOTAL PER CAPITA SPENDING		
Admission		\$2.43
Food and Beverage		\$0.91
Retail		\$0.61
Miscellaneous		\$0.24
TOTAL		\$4.19

INCOME ESTIMATE		
Admission		\$1,097,965
Membership		\$0
Sponsorship		\$0
Food and Beverage		\$411,737
Retail		\$274,491
Miscellaneous		\$109,797
TOTAL		\$1,893,990

COST OF SALES		
Food & Beverage	85.00%	\$349,976
Retail	85.00%	\$233,318
TOTAL		\$583,294

OPERATING EXPENSES		
Labour	N/A	\$649,000
Supplies	5.00%	\$94,699
TOTAL		\$743,699

OVERHEAD EXPENSE		
Management Salaries	N/A	\$390,000
Benefits	N/A	\$187,020
Repair & Maintenance	5.00%	\$525,614
Utilities	N/A	\$172,199
Restoration	N/A	\$150,000
Rent	1.00%	\$18,940
Marketing	12.00%	\$227,279
Office Supplies	4.00%	\$75,760
Telephone	0.75%	\$14,205
Travel	1.50%	\$28,410
Professional Fees	1.50%	\$28,410
Entertainment	1.85%	\$35,039
Insurance	3.60%	\$68,184
Property Tax	0.00%	\$0
Other	1.00%	\$18,940
TOTAL		\$1,939,998

PROFIT (LOSS)		(\$1,373,002)
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**EXHIBIT 6
MANAGEMENT AND LABOUR COST ESTIMATES
WORKING GROUP CONCEPT**

MANAGEMENT

Director	\$68,000
Curator Level I	\$57,000
Curator Level II	\$46,000
Education Co Ordinator	\$46,000
Registrar	\$48,000
Administration Manager	\$40,000
Marketing Director	\$50,000
Sales Co-ordinator	\$35,000
TOTAL MANAGEMENT	\$390,000

LABOUR

Clerical/Secretarial (4)	\$110,000
Janitorial	\$230,000
General and Part Time Staff	\$459,000
Sub Total	\$799,000

VOLUNTEERS

Credit	\$150,000
TOTAL LABOUR	\$649,000

Peak Crowd Flow And Warranted Space Analysis

Exhibit 7 presents our analysis of the likely average peak attendance level that the Roundhouse will experience. This is valuable in determining the sizing of facilities.

We have assumed that the facility would operate for approximately 325 days each year (ie. it may not operate for seven days a week during the winter months unless warranted by demand). The average peak day at an attraction of this nature is generally in the range of two to two and a half times the average day. With an average length of stay of 1.2 hours, the peak hour on a peak day should be in the range 20% of peak day attendance. On this basis, we estimate that the average peak visitor loading for the attraction should be approximately 700 visitors.

In exhibit-style attractions, the average amount of display and exhibit space required for each visitor is approximately 40 square feet. To accommodate the 700 crowd peak, therefore, the roundhouse will require approximately 28,000 square feet of space for its attraction related elements.

Additional space will be required for administration, the orientation theatre, food and beverage and retail. Our estimate for food and beverage and retail space is based on sales projections and industry sales per foot averages. The theatre space allowance assumes 200 seats at approximately 12 square feet per seat, gross area.

We estimate that the total requirement for finished space within the Roundhouse is approximately 34,000 square feet.

**EXHIBIT 7
PEAK FLOW ANALYSIS**

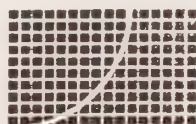
PROJECTED ATTENDANCE	451,838
DAYS OF OPERATION	325
AVERAGE DAILY ATTENDANCE	1,390
PEAK DAY FACTOR	2.5
PEAK DAY ATTENDANCE	3,476
PEAK HOUR FACTOR	20%
PEAK HOUR ATTENDANCE	695
SPACE PER VISITOR	40 (sq.ft.)
REQUIRED PUBLIC/EXHIBIT SPACE	27,805
ADMINISTRATION	2,000
THEATRE	2,500
FAST FOOD	749
RETAIL	1,098
TOTAL SPACE REQUIREMENT	34,152

FOOD SERVICE AND RETAIL SPACE REQUIREMENTS

	FOOD & BEVERAGE	RETAIL
SALES ESTIMATE	\$411,737	\$274,491
TARGETED SALES PER FOOT	\$550	\$250
REQUIRED SPACE	749	1,098

SECTION III

*PROPOSED REVENUE
PRODUCING ENHANCEMENTS*



THE ECONOMIC PLANNING GROUP of Canada
Tourism and Management Consultants

SECTION III

PROPOSED REVENUE PRODUCING ENHANCEMENTS

We were asked to consider what types of commercial and attraction developments would both complement the operation of the Roundhouse (ie not detract from its steam and rail heritage focus) and help to support the Roundhouse operation from a financial perspective.

In our opinion, the financial performance of the proposed Roundhouse attraction can be improved in two ways. First, the addition of other exhibits within the attraction will have the impact of increasing attendance, increasing visitor length of stay and increasing visitor spending. The additional or enhanced activity should be achievable with a relatively modest increase in related operating costs.

The second opportunity to improve financial performance involves inviting the private sector to develop complementary attractions within the neighbouring parkland. These investors would operate their attractions at no cost to the Roundhouse, co-market with the Roundhouse and pay a reasonable rental, based on gross sales. (We have not performed a market or feasibility assessment of such potential undertakings, so it is not yet clear as to whether any or all of them will be sufficiently profitable to support the investment involved.)

The enhancement elements we are suggesting for this enhanced attraction concept include:

Located in or Adjacent to the Roundhouse:

- An upscale restaurant and bar facility operated from rail dining cars. Given the location (near to Skydome and Convention Centre crowds) we estimate that potential sales would be substantial. This would be a private sector investment in the order of \$900,000 plus or minus. Income for the Roundhouse would be a rental based on gross sales.
- A functions catering program. Our research into comparable attractions has revealed that there is a significant income opportunity in renting out the attraction for catered functions. The investment would be private sector and the caterer would pay a percentage of sales along with a base rent per function. (An additional and related income opportunity involves the purchase (by the Roundhouse) and rental of tables and chairs to the function organizers.) Total Private sector capital cost is estimated at approximately \$100,000, however, this assumes that the caterer

would be the same operator as the dining car restaurant operation.

- Computer Video Games. We suggest that a bank of computers be acquired for the purpose of allowing visitors to participate in an interactive, railway based computer simulation game. We are aware of an existing piece of software, entitled Railway Tycoon and we assume that other similar games could be found. It is even possible that the Roundhouse could commission the development of new software. While this would be a public sector investment, we suspect that it would be relatively modest and have estimated a cost of \$75,000 for approximately 10 computers, software and appropriate furniture.
- Living History Elements. An identifiable trend in heritage attractions is toward living history programming. This can be accomplished through simple techniques such as outfitting staff in period costume or in more elaborate ways such as developing a street theatre style program where actors are employed to entertain visitors with short vignettes of the period and of the activities being interpreted. There is only minimal capital cost involved with such a program and it can have a positive impact on visitor enjoyment, repeat attendance and potentially, length of stay and spending.
- Special Event Programming. In order to maximize attendance, it will be important to ensure that an event program is developed. This will be particularly important during holiday periods such as Christmas and March school break, but if effectively developed can have a positive impact all year round. No capital cost is associated with this element.
- Additional Rolling Stock. We suggest that it may be important to plan the acquisition of additional rail equipment in order to fill out exhibit space and increase variety and visitor access. We have suggested a capital budget of \$1,000,000 for this purpose.

Located in the Park

- Steam Train Ride. The centrepiece development for the park would be a scale model steam train ride which would take visitors on a five to seven minute ride around the park. This would be a private sector investment, in the range of \$600,000, for the purchase of equipment and installation of track. However, given the potential of such an attraction, we suggest that it might be

reasonable to demand an investment of an additional four to five hundred thousand dollars in themed landscaping, to ensure that the attraction complements the Roundhouse and is a very attractive addition to the area.

- A Steam Driven Carousel or other Similar Ride. Like the steam train ride above, we believe that something like a steam driven carousel would be both complementary and a significant income producer. This would also be a private sector investment in the order of \$600,000.
- Additional Ride Elements. While we have not identified specific rides we suggest that there is both the room for and the need for two or three additional ride type elements (on a smaller scale than the train and carousel). We have allowed for an additional \$300,000 for these elements.

ANALYSIS OF THE ENHANCED CONCEPT

The following pages present our analysis of the enhanced program for Roundhouse Park. As the analysis track is nearly identical to that of the base case, Phase I concept, our narrative will deal primarily with the changes in attendance, revenue and project ability generated by the enhancements..

Attendance

As a result of the additions to the Roundhouse and the new synergies created by the park attractions, we have increased our estimates of market penetrations for the Roundhouse to 2.4% of the close by resident market, .24% into the more distant resident market, .85% of the day trip tourist market and 1.55% of the overnight tourist market. As shown in Exhibit 8, this increases the base attendance estimate for the attraction to approximately 398,000. Attendance from the synergies with Skydome, the Convention Centre and the CN tower have also increased, as demonstrated in Exhibit 9. Total attendance is estimated at 550,500.

We have also developed separate attendance estimates for the park attraction elements, as presented in Exhibit 10. We assume that these attraction will draw from the local pedestrian traffic at the neighbouring attractions and at the Roundhouse itself. We estimate approximately 193,000 paying customers annually for the park attractions, in addition to the admissions to the Roundhouse museum.

**EXHIBIT 8
ATTENDANCE PROJECTION
ENHANCED CONCEPT**

MARKET SIZE

RESIDENT MARKET

Within 30 k	3,150,000
Within 120 k	3,360,000

TOURIST MARKET

Day Trip	12,663,415
Overnight	13,351,585

MARKET PENETRATION

RESIDENT MARKET

Within 30 k	2.40%
Within 120 k	0.24%

TOURIST MARKET

Day Trip	0.85%
Overnight	1.55%

BASE ATTENDANCE ESTIMATE

RESIDENT MARKET

Within 30 k	75,600
Within 120 k	8,064
sub total	83,664

TOURIST MARKET

Day Trip	107,639
Overnight	206,950
sub total	314,589
TOTAL	398,253

**ESTIMATE OF ADDITIONAL
ATTENDANCE FROM
SYNERGIES**

152,250

**ESTIMATE OF TOTAL
ATTENDANCE**

550,503

EXHIBIT 9

ESTIMATES OF ADDITIONAL ATTENDANCE
(SYNERGIES WITH NEIGHBORING ATTRACTIONS)

ATTRACTION	SKYDOME	CONVENTION CENTRE	CN TOWER	
ATTENDANCE	10,000,000	3,000,000	1,400,000	
PENETRATION RATES				
	1.20%	2.70%	3.00%	
POTENTIAL ATTENDANCE				
	120,000	81,000	42,000	
DISCOUNT FACTOR	50%	25%	25%	
ESTIMATED ADDITIONAL ATTENDANCE				TOTAL
	60,000	60,750	31,500	152,250

**EXHIBIT 10
ATTENDANCE AT PARK ELEMENTS**

ATTRACTION	SKYDOME	CONVENTION CENTRE	CN TOWER	ROUNDHOUSE	
ATTENDANCE	10,000,000	3,000,000	1,400,000	398,253	
PENETRATION RATES					
	1.50%	1.00%	2.00%	25.00%	
POTENTIAL ATTENDANCE					
	150,000	30,000	28,000	99,563	
DISCOUNT FACTOR	50%	25%	25%	25%	
ESTIMATED ADDITIONAL ATTENDANCE					TOTAL
	75,000	22,500	21,000	74,672	193,172

Commercial Income and Rent Estimates

Exhibit 11 presents our estimates of gross income and rents paid to the Roundhouse for the suggested commercial enhancements to the project. Estimates of function sales are based on the performance of comparable facilities, while restaurant sales are based on a 200 seat facility and \$10,000 in sales per seat, a target which should be achievable given the excellent location.

We estimate the potential returns to the Roundhouse from the restaurant and catering programs to be in the range of \$630,000 annually.

Income from the park attractions is estimated at approximately \$116,000 per year. An added bonus is that the visitors to the park attractions will also spend money on food and beverage, estimated in the range of \$145,000, and we suggest that they should be serviced by the Roundhouse facility in some fashion (perhaps with well themed food carts).

Roundhouse Visitor Spending and Length of Stay

Exhibit 12 presents the adjusted length of stay estimate for the enhanced facility. We estimate that average visitor stay will increase to approximately 89 minutes or 1.49 hours for the Roundhouse museum itself, not including the park attractions. This results in an increase in per capita spending to \$5.14 per visitor.

Proforma Estimates

Exhibit 13 presents the projected mature year operating proforma for the enhanced facility. Total income has risen to approximately \$3.7 million. (The reader should note that no allowance has yet been made to account for the potential of sponsorship and membership sales income.)

As presented in Exhibit 14, labour costs have increased to handle the increased traffic in the Roundhouse, and management salaries have been increased by the introduction of park concessions manager/supervisor.

Allowances for utilities and restoration remain unchanged, while all other operating costs have been increased in dollar terms but decreased in percentage of income terms in order to reflect the potential economies of scale in the larger operation..

Sponsorship and membership income estimates have not been included in this analysis.

EXHIBIT 11
ANALYSIS OF ADDITIONAL INCOME SOURCES

CATERING PROGRAM

ANNUAL FUNCTIONS	125
BASE RENT PER FUNCTION	\$1,200
TOTAL BASE RENTS	\$150,000
GUESTS PER FUNCTION	200
AVERAGE PRICE	\$35
ESTIMATED GROSS SALES	\$875,000
% RENT ON GROSS SALES	15%
RENT ON GROSS SALES	\$131,250
MISCELLANEOUS INCOME (Furniture Rentals)	\$50,000
ESTIMATED TOTAL INCOME	\$331,250

RESTAURANT AND BAR CAR OPERATION

# OF SEATS	200
TARGETED SALES PER SEAT	\$10,000
ESTIMATED GROSS SALES	\$2,000,000
% RENT ON GROSS SALES	15%
RENT ON GROSS SALES	\$300,000

PARK ATTRACTIONS

ATTENDANCE	193,172
LENGTH OF STAY	0.5 (Hours)
PER CAPITA SPENDING	\$4
TOTAL SPENDING	\$772,689
% RENT ON GROSS SALES	15%
RENT ON GROSS SALES	\$115,903
ESTIMATED FOOD PER CAP	\$0.75
ADDITIONAL FOOD SALES TO MUSEUM	\$144,879

EXHIBIT 12
LENGTH OF STAY ANALYSIS

ELEMENT	REQUIRED TIME (MINUTES)	PARTICIPATION RATE (%)	NET TIME (MINUTES)
ORIENTATION	8	80%	6.4
EXHIBITS (5,000 sq.ft.)	20	85%	17
ROLLING STOCK	30	90%	27
TURNTABLE/RIDE	10	80%	8
MODEL TRAINS	15	80%	12
COMPUTER GAME	30	5%	1.5
LIVING HISTORY	10	30%	3
FOOD & BEVERAG	20	25%	5
RETAIL	15	35%	5.25
QUEUING	5%		4
TOTAL	158		89.41 (minutes) 1.49 (hours)

EXHIBIT 13 **ROUNDHOUSE MUSEUM PROJECT** **WITH ENHANCEMENTS**

ATTENDANCE		
RESIDENT MARKET		
Within 30 k		75,600
Within 120 k		8,064
sub total		83,664
TOURIST MARKET		
Day Trip		107,639
Overnight		206,950
sub total		314,589
SYNERGISTIC ATTENDANCE		152,250
TOTAL		550,503

LENGTH OF STAY (Hours)	1.49
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HOURLY		
PER CAPITA SPENDING		
Admission		\$2.00
Food and Beverage		\$0.75
Retail		\$0.50
Miscellaneous		\$0.20
TOTAL		\$3.45

TOTAL		
PER CAPITA SPENDING		
Admission		\$2.98
Food and Beverage		\$1.12
Retail		\$0.75
Miscellaneous		\$0.30
TOTAL		\$5.14

INCOME ESTIMATE		
Admission		\$1,640,635
Memberships		\$0
Sponsorships		\$0
Food and Beverage		\$615,238
F&B For Park Visitors		\$144,879
Retail		\$410,159
Miscellaneous		\$164,064
Restaurant Rent		\$300,000
Catering Income		\$331,250
Park Attractions Income		\$115,903
TOTAL		\$3,722,129

COST OF SALES		
Food & Beverage	85.00%	\$646,100
Retail	85.00%	\$348,635
TOTAL		\$994,735

OPERATING EXPENSES		
Labour	N/A	\$745,800
Supplies	5.00%	\$186,106
TOTAL		\$931,906

OVERHEAD EXPENSE		
Management Salaries	N/A	\$450,000
Benefits	N/A	\$215,244
Repair & Maintenance	5.00%	\$583,591
Utilities	N/A	\$179,112
Restoration		\$150,000
Rent	1.00%	\$37,221
Marketing	11.00%	\$409,434
Office Supplies	3.00%	\$111,664
Telephone	0.50%	\$18,611
Travel	0.85%	\$31,638
Professional Fees	1.10%	\$40,943
Entertainment	1.50%	\$55,832
Insurance	3.00%	\$111,664
Property Tax	0.00%	\$0
Other	1.00%	\$37,221
TOTAL		\$2,432,175

PROFIT (LOSS)		(\$636,688)
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EXHIBIT 14
MANAGEMENT AND LABOUR COST ESTIMATES
ENHANCED CONCEPT

MANAGEMENT

Director	\$68,000
Curator Level I	\$57,000
Curator Level II	\$46,000
Concessions Manager Park Supervisor	\$50,000
Administration Manager	\$50,000
Education Co Ordinator	\$46,000
Registrar	\$48,000
Marketing Director	\$50,000
Sales Co-ordinator	\$35,000
TOTAL MANAGEMENT	\$450,000

LABOUR

Clerical/Secretarial (3)	\$80,000
Bookeeper	\$35,000
Janitorial	\$230,000
General and Part Time Staff	\$550,800
Sub Total	\$895,800

VOLUNTEERS

Credit	\$150,000
TOTAL LABOUR	\$745,800

While the suggested project enhancements clearly improve the financial performance of the proposed attraction, they do not generate sufficient additional income to allow a self sufficient operation. It must be remembered that the projected deficit of the base case concept is in the range of 1.3 million dollars. In order to reduce this deficit to zero, sufficient additional commercial opportunities and attraction enhancements must be added that have the potential of generating 1.3 million dollars with of rent and profit. Section IV of our report, which follows, addresses this objective.

Peak Crowd Flow And Warranted Space Analysis

Exhibit 15 presents our analysis of the peak crowd flows and warranted space analysis for the enhanced concept. With the increase in attendance and visitor length of stay, average peak crowd levels should increase to approximately 900 visitors. This warrants approximately 37,000 square feet of exhibit and visitor space. When other needs are considered (administration, theatre, food service and retail) total finished space requirements are in the range of 45,000 square feet.

**EXHIBIT 15
PEAK FLOW ANALYSIS**

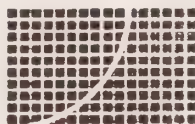
PROJECTED ATTENDANCE	550,503
DAYS OF OPERATION	325
AVERAGE DAILY ATTENDANCE	1,694
PEAK DAY FACTOR	2.5
PEAK DAY ATTENDANCE	4,235
PEAK HOUR FACTOR	22%
PEAK HOUR ATTENDANCE	932
SPACE PER VISITOR	40 (sq.ft.)
REQUIRED SPACE	37,265
ADMINISTRATION	2,000
THEATER	2,500
F&B	1,382
RETAIL	1,641
TOTAL	44,787

FOOD SERVICE AND RETAIL SPACE REQUIREMENTS

	FOOD & BEVERAGE	RETAIL
SALES ESTIMATE	\$760,118	\$410,159
TARGETED SALES PER FOOT	\$550	\$250
REQUIRED SPACE	1,382	1,641

SECTION IV

THE VISION CONCEPT



THE ECONOMIC PLANNING GROUP of Canada
Tourism and Management Consultants

SECTION IV

THE VISION CONCEPT

We were also requested to analyze the impact of maximizing the commercial potential of the Roundhouse project, assuming that significantly more capital funding would be available than that required for the base Phase I or the enhanced concept options. The concept can also be seen to be the medium to longer term mature development "vision" for the project.

Our suggestions for accomplishing the concept "vision" are based on the same objectives as for the additions described in the enhanced concept; that is to increase attendance, visitor length of stay and spending within the Roundhouse itself and to add additional, private sector developments in the park to generate additional rental income.

The further enhancements we recommend for inclusion in the "vision" concept include:

Located in the Roundhouse

- Railroad Signals Room. This would be a re-creation of an actual railroad control centre, perhaps modelled on the downtown Toronto core. The facility could demonstrate advancements in rail traffic and safety control over time and could provide the opportunity of developing the room as an interactive facility where visitors could have a hands-on experience. This element would be a public sector investment and, while it is difficult to estimate the costs involved without a more detailed design concept, we suspect that a budget of \$1,000,000 should be adequate to develop an exciting exhibit.
- Train Scope. The Train Scope is, in effect, a simulated train ride. Video monitors are attached to the rail car windows in order to show passengers scenery on a simulated trip. The attraction would be programmed to tell a story, perhaps one of Canadian landscapes, and the story would be enhanced by both a narrative and the appropriate video.
- High Tech Exhibits. We recommend the addition of approximately 5,000 square feet of high tech, interactive exhibits.

Located In The Park

- Themed mini car rides. An additional private sector attraction to be considered would be a self drive antique car ride that is scaled and themed to interact with the steam train attraction discussed earlier. The likely investment level for an attraction of this type would be in the range of \$600,000.
- Interactive Hand Cars. An interesting and complementary attraction would involve two or more hand cars which would operate on parallel tracks. Visitors would be offered the opportunity (for an admission charge) to propel the cars along the track in the traditional manner. While the attraction would have to be closely supervised for safety reasons, it could offer the opportunity for races or simply the experience of operating one of these unique vehicles. This element would be a private sector investment in the range of \$200,000.
- Additional complementary attraction elements. We have suggested an additional \$1,000,000 of private sector investment to develop additional complementary ride style attractions in the park.
- Expand, themed area with three to five shops.

Located Off-Site

- Excursion Train. A final element to be added to the visionary concept level involves the operation of a steam excursion train. The excursion train concept has not, as yet, been fully developed and no financial forecasts have been developed for this element of the concept. However, if developed, it would have a substantial positive effect on Roundhouse attendance.

ANALYSIS OF THE VISION CONCEPT

Attendance

As presented in Exhibit 16, we project that, as a result of the additional demand generating elements in the Vision concept, market penetrations will increase to: 4% into the close-by resident market; 0.6% into the more distant resident market; 1.5% into the day trip tourist market; and 2.5% into the overnight tourist market. Attendance impacts from the synergistic location of the facility have also been increased accordingly (Exhibit 17). We estimate that the annual attendance level for the vision concept will be in the range of 855,000.

**EXHIBIT 16
ATTENDANCE PROJECTION
VISION CONCEPT**

MARKET SIZE

RESIDENT MARKET

Within 30 k	3,150,000
Within 120 k	3,360,000

TOURIST MARKET

Day Trip	12,663,415
Overnight	13,351,585

MARKET PENETRATION

RESIDENT MARKET

Within 30 k	4.00%
Within 120 k	0.60%

TOURIST MARKET

Day Trip	1.50%
Overnight	2.50%

BASE ATTENDANCE ESTIMATE

RESIDENT MARKET

Within 30 k	126,000
Within 120 k	20,160
sub total	146,160

TOURIST MARKET

Day Trip	189,951
Overnight	333,790
sub total	523,741
TOTAL	669,901

**ESTIMATE OF ADDITIONAL
ATTENDANCE FROM
SYNERGIES**

185,925

**ESTIMATE OF TOTAL
ATTENDANCE**

855,826

EXHIBIT 17

ESTIMATES OF ADDITIONAL ATTENDANCE
(SYNERGIES WITH NEIGHBORING ATTRACTIONS)

ATTRACTION	SKYDOME	CONVENTION CENTRE	CN TOWER	
ATTENDANCE	10,000,000	3,000,000	1,400,000	
PENETRATION RATES				
	1.50%	3.25%	3.60%	
POTENTIAL ATTENDANCE				
	150,000	97,500	50,400	
DISCOUNT FACTOR	50%	25%	25%	
ESTIMATED ADDITIONAL ATTENDANCE				
	75,000	73,125	37,800	TOTAL 185,925

As presented in Exhibit 18, we estimate that attendance to the park elements of the concept will increase to approximately 327,000 annually. While some double counting exists in the two attendance figures, it should be noted that our analysis suggests the potential for a combined park and Roundhouse attendance level in excess of one million visitors each year.

Commercial Income and Rent Estimates

Exhibit 19 presents our estimates of the likely sales levels of the commercial elements of the concept and the related income to the Roundhouse. Estimates for the restaurant and the catering programs remain unchanged from the enhanced concept, while park attraction income has increased in line with the projected attendance increase.

Roundhouse Visitor Spending and Length of Stay

Exhibit 20 presents the visitor length of stay analysis for the vision concept. While increasing attendance levels and the addition of more activities will tend to erode the participation rates at some of the attraction elements, overall length of stay is projected to increase to approximately two hours. The increased length of stay is projected to result in per capita spending of approximately \$7.41

Proforma Estimates

Exhibit 21 presents the projected, mature year proforma of operations for the vision concept. Total income to the Roundhouse has increased to nearly \$7.5 million. (The reader should note that no allowance has as yet been made for sponsorship income or the sale of memberships.)

Labour costs (Exhibit 22) have increased as a result of the increased crowd flow, as has management salaries. Utilities costs have been reduced on the assumption that more of the building will be insulated resulting in reduced heating costs. Overhead expense percentages have generally been reduced, as a percentage of income, due to the likely economies of scale that can be achieved by a larger operation.

We project that the facility will be able to operate at a level of profit of approximately \$700,000, based on the vision concept.

Peak Crowd Flow Analysis

Exhibit 23 presents the peak crowd flow and warranted space estimates for the vision concept. The average peak hour attendance at the Roundhouse part of the complex is estimated at 1,646 resulting in an exhibit space requirement of approximately 66,000 square feet. Total finished space requirements are in the range of 77,000 square feet.

EXHIBIT 18
ATTENDANCE AT PARK ELEMENTS

ATTRACTION	SKYDOME	CONVENTION CENTRE	CN TOWER	ROUNDHOUSE	
ATTENDANCE	10,000,000	3,000,000	1,400,000	669,901	
PENETRATION RATES					
	2.00%	1.10%	2.50%	35.00%	
POTENTIAL ATTENDANCE					
	200,000	33,000	35,000	234,465	
DISCOUNT FACTOR	50%	25%	25%	25%	
ESTIMATED ADDITIONAL ATTENDANCE					TOTAL
	100,000	24,750	26,250	175,849	326,849

EXHIBIT 19
ANALYSIS OF ADDITIONAL INCOME SOURCES

CATERING PROGRAM

ANNUAL FUNCTIONS	125
BASE RENT PER FUNCTION	\$1,200
TOTAL BASE RENTS	\$150,000
GUESTS PER FUNCTION	200
AVERAGE PRICE	\$35
ESTIMATED GROSS SALES	\$875,000
% RENT ON GROSS SALES	15%
RENT ON GROSS SALES	\$131,250
MISCELLANEOUS INCOME (Furniture Rentals)	\$50,000
ESTIMATED TOTAL INCOME	\$331,250

RESTAURANT AND BAR CAR OPERATION

# OF SEATS	200
TARGETED SALES PER SEAT	\$10,000
ESTIMATED GROSS SALES	\$2,000,000
% RENT ON GROSS SALES	15%
RENT ON GROSS SALES	\$300,000

PARK ATTRACTIONS

ATTENDANCE	326,849
LENGTH OF STAY (Hours)	0.75
PER CAPITA SPENDING	\$5
TOTAL SPENDING	\$1,634,245
% RENT ON GROSS SALES	15%
RENT ON GROSS SALES	\$245,137
ESTIMATED FOOD PER CAP	\$0.75
ADDITIONAL FOOD SALES TO MUSEUM	\$245,137

EXHIBIT 20
LENGTH OF STAY ANALYSIS

ELEMENT	REQUIRED TIME (MINUTES)	PARTICIPATION RATE (%)	NET TIME (MINUTES)
ORIENTATION	8	80%	6.4
EXHIBITS (10,000 sq.ft.)	40	90%	36
ROLLING STOCK	20	85%	17
TURNTABLE\RIDE	10	80%	8
MODEL TRAINS	15	75%	11.25
COMPUTER GAME	30	5%	1.5
TRAIN SCOPE	15	50%	7.5
SIGNALS ROOM	10	80%	8
LIVING HISTORY	15	30%	4.5
FOOD & BEVERAG	20	50%	10
RETAIL	20	35%	7
QUEUING TIME	10%		11.72
TOTAL	203		128.87 (minutes) 2.15 (hours)

EXHIBIT 21 **ROUNDHOUSE MUSEUM PROJECT** **VISIONARY CONCEPT**

ATTENDANCE		
RESIDENT MARKET		
Within 30 k		126,000
Within 120 k		20,160
sub total		146,160
TOURIST MARKET		
Day Trip		189,951
Overnight		333,790
sub total		523,741
SYNERGISTIC ATTENDANCE		185,925
TOTAL		855,826

LENGTH OF STAY (Hours)	2.14775
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HOURLY		
PER CAPITA SPENDING		
Admission		\$2.00
Food and Beverage		\$0.75
Retail		\$0.50
Miscellaneous		\$0.20
TOTAL		\$3.45

TOTAL		
PER CAPITA SPENDING		
Admission		\$4.30
Food and Beverage		\$1.61
Retail		\$1.07
Miscellaneous		\$0.43
TOTAL		\$7.41

INCOME ESTIMATE		
Admission		\$3,676,200
Memberships		\$0
Sponsorship		\$0
Food and Beverage		\$1,378,575
F&B For Park Visitors		\$245,137
Retail		\$919,050
Miscellaneous		\$367,620
Restaurant Rent		\$300,000
Catering Income		\$331,250
Park Attractions Income		\$245,137
TOTAL		\$7,462,968

COST OF SALES		
Food & Beverage	85.00%	\$1,380,155
Retail	85.00%	\$781,192
TOTAL		\$2,161,347

OPERATING EXPENSES		
Labour	N/A	\$894,400
Supplies	5.00%	\$373,148
TOTAL		\$1,267,548

OVERHEAD EXPENSE		
Management Salaries	N/A	\$595,000
Benefits	N/A	\$268,092
Repair & Maintenance	5.00%	\$607,721
Utilities	NA	\$200,025
Restoration		\$150,000
Rent	1.00%	\$74,630
Marketing	10.00%	\$746,297
Office Supplies	2.50%	\$186,574
Telephone	0.40%	\$29,852
Travel	0.70%	\$52,241
Professional Fees	1.00%	\$74,630
Entertainment	1.50%	\$111,945
Insurance	2.00%	\$149,259
Property Tax	0.00%	\$0
Other	1.00%	\$74,630
TOTAL		\$3,320,894

PROFIT (LOSS)	\$713,178
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EXHIBIT 22
MANAGEMENT AND LABOUR COST ESTIMATES
VISION CONCEPT

MANAGEMENT

Director	\$80,000
Curator Level I	\$64,000
Curator Level II	\$46,000
Curator Level II	\$46,000
Concessions Manager/Park Supervisor	\$55,000
Administration Manager	\$55,000
Accountant	\$60,000
Education Co Ordinator	\$46,000
Registrar	\$48,000
Marketing Director	\$55,000
Sales Co-ordinator	\$40,000
TOTAL MANAGEMENT	\$595,000

LABOUR

Clerical/Secretarial (5)	\$130,000
Janitorial	\$230,000
General and Part Time Staff	\$734,400
Sub Total	\$1,094,400

VOLUNTEERS

Credit	\$200,000
TOTAL LABOUR	\$894,400

**EXHIBIT 23
PEAK FLOW ANALYSIS**

PROJECTED ATTENDANCE	855,826
DAYS OF OPERATION	325
AVERAGE DAILY ATTENDANCE	2,633
PEAK DAY FACTOR	2.5
PEAK DAY ATTENDANCE	6,583
PEAK HOUR FACTOR	25%
PEAK HOUR ATTENDANCE	1,646
SPACE PER VISITOR	40 (sq.ft.)
REQUIRED EXHIBIT SPACE	65,833
ADMINISTRATION	2,000
THEATRE	2,500
F&B	2,952
RETAIL	3,676
TOTAL	76,961

FOOD SERVICE AND RETAIL SPACE REQUIREMENTS

	FOOD & BEVERAGE	RETAIL
SALES ESTIMATE	\$1,623,712	\$919,050
TARGETED SALES PER FOOT	\$550	\$250
REQUIRED SPACE	2,952	3,676

APPENDIX I

MARKET RESEARCH



THE ECONOMIC PLANNING GROUP of Canada
Tourism and Management Consultants

APPENDIX I

MARKET RESEARCH

The markets with potential interest in visiting the John Street Roundhouse have been identified as follows:

Resident Market

- Local Resident Market (Toronto residents within 30 km)
- Regional Resident Market (residents living from 30 to 120 km from Toronto)

Tourist Market

- Visitors to the Metro Toronto travel region from:
 - Ontario (more than 40 km)¹
 - Other Canadian Provinces
 - United States
 - Overseas

A discussion of these two major markets, and their component markets, is presented below.

RESIDENT MARKET

Local Resident Market

Within a 30-km radius of Toronto, over 3.15 million people lived in 1991, as reported in the 1991 Census. This represents a 9.2% increase from 1986.

Looking at the size of the potential "family market," the type of family structure in households within a 30-km radius was reviewed. Of the more than one million households in the area, some 57.5% were Husband and Wife Family Households. Roughly 30% of households were "Non-Family Households." The average household in Toronto in 1991 held 2.73 persons.

¹ According to the Ontario Ministry of Culture, Tourism and Recreation, a tourist within Ontario is a person who travels 40 km (25 miles) or more, one-way from the permanent residence, not including commuting to work or school, or living within Metro.

The average household income for Toronto's local resident market in 1991 was \$64,009. The breakdown of households in terms of lifestyles is as follows:

Affluent	6.4%
Upscale	14.9%
Middle and Upper Middle Class	20.2%
Working (Lower Middle) Class	9.2%
Lower Income	7.0%
Young Singles	5.7%
Young Couples	5.1%
Empty Nesters	11.1%
Old & Retired	6.9%
Ethnic	13.4%

Regional Resident Market

The population living between 30 and 120 kilometres (i.e., up to a two-hour drive) from Toronto was investigated. According to the 1991 Census of Canada, 3.36 million people live between the 30 and 120 km radii. A significant portion of these Ontario residents travel to Toronto as tourists; therefore, this market represents an important potential source of tourist visitation for the John Street Roundhouse.

TOURISM MARKET

Tourism in Ontario

Size and Impact of the Tourism Industry in Ontario

Ontario has the largest provincial tourism industry in Canada.

According to a recent report by the Advisory Committee on a Tourism Strategy for the Province of Ontario, the following statements describe Ontario's tourism industry:

- Tourism in Ontario accounts for 36% of Canada's tourism revenues.
- International tourism receipts in Ontario in 1992 were \$2.888 billion.
- Tourism in Ontario accounted for 3.1% of the provincial gross domestic product in 1992. This ranked tourism as the eighth

largest sector of the provincial economy.

- Tourism represents 6.6% of Ontario's total employment, with 272,000 jobs in the primary sub-sectors in 1991. Roughly 61,000 of these jobs were in the Recreation sub-sector.

In 1991, travel activity in Ontario totalled some 159 million person trips, an increase of 17.6% over 1989 but a decline of 8% from the 173 million person trips reported in 1988.

Travel by Ontario residents within the province is by far the most important segment of Ontario's tourism industry. Ontario travellers accounted for 130.9 million person trips in 1991 (82% of total travel activity), an increase of 24.4% over 1989.

United States residents made 22.4 million person trips to Ontario in 1991, down 3.4% over 1990 and 8.6% over 1988; some 71.2% or 16 million person trips were overnight trips with 6.5 million same day trips. United States travellers generated \$2 billion in expenditures, approximately 11% of total travel expenditures.

Visitors from other parts of Canada accounted for only 2.4% of person trips made in Ontario in 1991, generating expenditures of almost \$900 million. Travel to Ontario by residents of other parts of the country decreased by almost 19% from 1988 to 1991.

Overseas visitors spent some \$1.3 billion in Ontario in 1991, roughly 7% of total travel expenditures. These visitors, however, represented only 1.1% of the total market or 1.75 million person trips in 1991. The overseas markets are, on a per person trip basis, a much more lucrative market for the province than either the resident market or the U.S. market.

Trends in Travel Activity in Ontario

On a historical basis, the tourism industry in Ontario has suffered declines in the past decade. Throughout much of the 1980s, the flow of pleasure trips within, to, and from Ontario has tended to favour vacation trips taken outside the province. Ontario residents are taking fewer vacation trips within Ontario, and at the same time, they have substantially increased their travel to the United States.

At the same time, there has been little growth in the volume of pleasure trips from the United States during the 1980s and in fact, travel from the United

States has declined in the past three years. The U.S. market will, however, remain an important market for the province due to its close proximity to Ontario and its significant size.

As is the case for Canada as a whole, the overseas market is also Ontario's fastest growing market. In Ontario, the overseas market grew by over 15% from 1987 through 1990, although there was a decline of 4.9% in 1990 over 1989 levels. The overseas market is particularly important because of its high spending levels mentioned earlier, and because many of these markets are looking for the kind of experiences that Ontario is well positioned to offer.

Overall, the recent decline in tourism activity in Ontario can be attributed, at least partially, to a fall in economic activity and consumer confidence caused by the recessionary conditions of the early 1990s felt in Canada and the U.S..

The lingering effects of the recession, high unemployment levels, and lower discretionary spending will continue to impact on travel activity in the short term. It is expected that there will be continued increases in day trips to the United States by Ontario residents in search of lower priced goods and services.

Over the longer term, Ontario's tourism industry will have to adjust to the structural and demographic changes taking place in North America. It will have to provide products and services to cater to the needs of the aging baby boom and mature adult markets if the province is to turn around the decline in travel activity that has been experienced in the past.

Tourism in Metro Toronto

Size and Impact of the Tourism Industry in Metro Toronto

Metro Toronto and the Region of Peel combine to form Region #4 of the Ontario Travel Association Program (OTAP). According to a tourism strategy prepared for the Metro Toronto Region, tourism is an important contributor to the local economy.² Given that almost 26 million visitors came to the region in 1990, the strategy document identifies the resulting economic impacts of tourism in Metro Toronto. These are quoted below:

² *Competitive Tourism Development Strategy for Metropolitan Toronto*, prepared by Peat Marwick Stevenson & Kellogg in association with Marshall Macklin Monaghan, Davidson/Peterson Associates and Economic Planning Group of Canada. June 1992.

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- *Total direct/indirect income (value added) of \$5.6 billion.*
 - *Taxes collected by the three levels of government totalled \$1.43 billion - the Toronto hotel industry alone paid over \$200 million in business/property taxes, Commercial Concentration Tax, GST and provincial rooms tax.*
 - *About 120,000 person years of employment are generated annually - including 69,000 directly employed by tourism.*

According to the tourism strategy document, Toronto is "the anchor of Ontario's tourism industry and the most important Canadian anchor city." For example, Pearson International Airport handles some 43% of all international arrivals to Canada (including trans-border arrivals from the U.S.). It is also estimated that tourism spending impacts in OTAP Region #4 represent about one-quarter of Ontario's overall income generated by tourism.

Travel Activity in Metro Toronto

There were more than 26 million person-visits to the Metro Toronto Region in 1991, from persons travelling at least 40 km from their place of residence. This total is based on figures supplied by the Ontario Ministry of Culture, Tourism and Recreation. The breakdown of person-trips by visitor origin is shown below.

Visitor Origin	Number of Person-Trips to Metro Toronto Region (in 000's)	Total Number of Person-trips to Ontario (in 000's)
Ontario	21,233	130,913
Other Provinces	689	3,700
U.S.A.	3,067	22,388
Other Countries	1,026	1,747
Total	26,015	158,748

Source: Ministry of Culture, Tourism and Recreation estimates based on:
Ontario Travel Monitor Survey, Ministry of Tourism and Recreation,
 1991
International Travel Survey, Statistics Canada, 1990 and 1991
Canadian Travel Survey, Statistics Canada, 1990
Ontario Exit Survey, 1985.

More detailed characteristics of the tourist markets for Region # 4, by each of the four visitor origins, are provided below.

Characteristics of Ontario Visitors from Outside Toronto

In accordance with the Ontario Ministry of Culture, Tourism and Recreation's definition, only those people who travelled 40 km or more were counted as tourists. In 1991, according to the *Ontario Travel Monitor*, tourists living in Ontario made 21,233,000 person-trips to the Metro Toronto Travel Region. About 16% of all tourist trips within the province by Ontario residents during 1991 were to the Toronto Region.

The main purposes of trip reported by Ontario residents coming to the Toronto area were as follows:

Visiting friends and relatives	38.7%
Recreation/pleasure	32.6%
Visit private cottage	0.4%
Personal business	6.7%
Business	9.3%

More than half (52.1%) of trips to Metro Toronto by Ontario residents were same-day trips, representing approximately 11 million day trips to this travel

area.

The largest number of person-visits (41.3%) was made by those people aged 35 to 54. An additional 15.4% of those making person-visits to Toronto were age 55 or older. Almost half (49.6%) of those visiting the Toronto region had at least some post secondary education. Although only 48.0% of all person-trips in Ontario are made by men, 51.4% of person-trips to the Toronto region were made by men.

Ontario residents were also asked about what types of activities they attend or participate in while travelling. Large proportions of Ontarians travelling to the Toronto region like to "Rest and relax" (72.1%), "Visit big cities" (65.7%) and "Visit friends or relatives" (62.1%). Other popular activities were shopping (53.0%), dining in high quality restaurants (27.1%) and participating in nightlife/entertainment (20.1%). Few Ontarians reported visiting a zoo/museum (4.5%). Less than one percent of Ontarians visiting Toronto in 1991 reported visiting a national/provincial park, conservation area or historical site.

Characteristics of Canadian Visitors from Other Provinces

As noted above, Canadian residents from outside of Ontario made almost 700,000 person-trips to the Toronto region in 1991.

According to the *Canadian Travel Survey* from 1992, conducted by Statistics Canada, approximately 31% of trips to Ontario (by Canadians from other provinces) are to the Toronto region. The main purposes given for travelling to the Toronto region for this market were:

Visit friends and relatives	24.3%
Pleasure	13.0%
Personal business	6.3%
Business or a convention	56.3%

About 45% of person-trips to the Toronto region by Canadians outside Ontario were by people aged 35-54. Another 15.6% of visitors were aged 55 or older. The average age for all those making person-trips to the region was 42.

For this market, 67.7% of those making person-trips to Toronto had at least some post secondary education. Some 64.5% of person-trips to Toronto, by persons from other provinces (aged 15 and over), were made by men. By comparison, an average of 54.4% of all person-trips to Ontario by this group to Toronto were made by men.

When asked about their activities while in the Toronto region, the most popular activities were visiting friends and relatives (44.9%), shopping (26.8%), dining at high quality restaurants (25.2%) and sightseeing (20.1%). For these Canadian travellers from outside of Ontario, 4.8% reported visiting a zoo/museum or natural site, while 3.8% reported visiting an historic site.

Characteristics of U.S. Visitors

There were an estimated that 3.1 million person-trips to the Toronto region by Americans during 1991. Roughly half of these visits are same-day trips, with the other half involving an overnight stay.

U.S. residents gave a variety of purposes for their visit to Ontario:

Visiting friends and relatives	18.8%
Pleasure/recreation/holiday	57.7%
Business or convention	15.3%
Other	8.2%

The 35-54 age group represented only 36.9% of American visitors to Ontario, with 23.7% aged 55 or older.

Characteristics of Other International Visitors

A large proportion of international visitors come to the Toronto region. In 1991, it is estimated that 1.03 person-trips were made to the Toronto region by overseas visitors. With a 1991 total of 1.75 person-trips to any destination in Ontario by visitors from overseas, this means that some 59% of all trips to Ontario by this market were to the Toronto travel region.

The main reasons given by this market for the trip to Ontario were as follows:

Visit friends and relatives	34.9%
Pleasure, recreation or holiday	44.4%
Business or convention	16.3%
Other	4.4%. ³

The 35-54 age group accounted for 34.4% of all person-trips to Ontario by this group. Those aged 55 or older accounted for 20.5% of person-trips from international origins.

³ *International Travel Survey*, Statistics Canada, 1992.

SUMMARY OF TARGET MARKETS

In summary, then, the key markets for the John Street Roundhouse are as follows:

Resident Market	Estimated Number (in 1991)
Local residents (within 30 km)	3,150,000
Regional residents (30 to 120 km)	3,360,000
<i>Total Resident Market (within 120 km)</i>	<i>6,510,000</i>
Tourist Market	Estimated Number (in 1991)
Same-day trips to Metro Toronto Travel Region	12,660,000
Overnight trips to Metro Toronto Travel Region	13,350,000
<i>Total trips to Metro Toronto Travel Region</i>	<i>26,015,000</i>

Source: 1991 Census of Canada
Ministry of Culture, Tourism and Recreation estimates

APPENDIX II

COMPARABLES RESEARCH



THE ECONOMIC PLANNING GROUP of Canada
Tourism and Management Consultants

APPENDIX II

COMPARABLES RESEARCH

DESCRIPTION OF COMPARABLE RAILROAD MUSEUMS

B & O Railroad, Baltimore, Maryland

This 135,000 sq. ft. museum and 6.5 acre site is home to 145 pieces of rolling stock and thousands of artifacts. A one and a half mile steam train ride is offered five times daily on weekends and throughout the summer months. It serves a combined resident and tourist market of 7,300,000 and generated revenues of \$1,300,000 in 1993.

Railroad Museum of Pennsylvania, Strasburg PA

At a capital cost of \$19,200,000 this 150,000 sq. ft. facility offers guests the opportunity to view 82 restored railroad cars and locomotives and over 150,000 related artifacts. While there are not food service outlets on site, the museum derives significant revenues from the leasing of the facility for catered functions. Over 15% of its \$1,000,000 gross revenue comes from various forms of fundraising activity.

California State Railroad Museum, Sacramento, CA

This, the largest railroad museum in the United States, houses 157 pieces of rolling stock on 12 acres and has an indoor area of 185,000 sq. ft.. Laser disk presentations, an animated rail car that physically rocks on its track to simulate a night time train ride and wide screen theatre bring the past and present together.

An excursion train operates 3 days per week offering a 25 mile return trip. The facility is rented for private functions after hours. The 7 to 10 functions per month generate approximately \$160,000 annually. Some 550 volunteers provide 123,000 hours of assistance per year.

Steamtown, Scranton, PA

Steamtown National Historic Site is a National Park in 1986. As part of a \$66 million development plan, the park is expected to be fully developed by 1995. During 1992, some 154,909 visits were made to the park.

This operating railyard covers more than 66 acres and contains about 117 pieces of rolling stock. Included in one of several historic structures on the site is a wide

screen theatre which seats 205 people. One of the primary goals of this operating railyard is to show how a typical railyard of the steam era functioned. Additional interpretive elements of Steamtown focus on the relationship between the people of the United States and the railways. In 1990, Steamtown started to operate a 28 mile steam train excursion on weekends.

Exhibits

The following exhibits show more detailed information regarding the revenues, facilities and costs of these comparable rail museums.

EXHIBIT 1

COMPARABLE RAILROAD MUSEUMS

(REVENUES)

Attraction Name	Admissions	Food and Beverage	Retail	Other	Fundraising	Gross
B & O Railroad, Baltimore, Maryland	Adult \$6.00 Senior \$5.00 Child \$3.00 Group \$3.50 Average \$4.30 Total Revenue From Admissions . \$400,000	\$0.16 Per Person Total Revenue From Food & Bev: \$15,000	\$3.76 Per Person Total Revenue From Retail \$350,000	<ul style="list-style-type: none"> 3 excursion trains per year - \$146,000 mini train rides - \$41,000 lease Round House for Corporate Events - \$138,000 Parking - \$47,000 Total Revenue From Other: \$372,000	<ul style="list-style-type: none"> Private Memberships \$85,000 Corporate Memberships .. \$45,000 Donations \$50,000 Total Revenue From Fundraising: \$180,000	Total Gross Revenue: \$1,317,000
Railroad Museum of Pennsylvania, Strasburg, PA	Adult \$6.00 Senior \$5.00 Child \$4.00 Group \$4.00 Average \$3.54 Total Revenue From Admissions . \$450,000	N/A Total Revenue From Food & Bev: ... N/A	\$1.00 Per Person Total Revenue From Retail: \$127,000	<ul style="list-style-type: none"> lease out facility to corporate groups is very lucrative Total Revenue From Other: N/A	<ul style="list-style-type: none"> 2-3 benefit dinners per year sell commemorative plaques in memory of retired or deceased railroaders volunteer labour valued at \$150,000 per year Total Revenue from Fundraising: \$150,000	Total Gross Revenue \$1,000,000
California State Railroad Museum, Sacramento, CA	Adult \$5.00 Senior \$5.00 Child \$2.00 Group \$0.50 Average \$3.75 Total Revenue From Admissions \$1,050,000	N/A Total Revenue From Food & Bev: ... N/A	\$1.12 Per Person Total Revenue From Retail: \$650,000	<ul style="list-style-type: none"> train rides - \$90,000 lease of space to corporate groups - \$160,000 Total Revenue From Other: \$250,000	<ul style="list-style-type: none"> 550 active volunteers provide 123,000 hours per year 4,000 members - \$140,000 private restoration donations - \$200,000 Total Revenue From Fundraising: \$340,000	Total Gross Revenue \$2,290,000
Steamtown, Scranton, PA	N/A	N/A	N/A	N/A	N/A	N/A

COMPARABLE RAILROAD MUSEUMS

(FACILITIES)

Attraction Name	Acreage	Indoor Area	Rolling Stock	Artifacts	Hi-Tech	Interactive	Events Programming	Food Service	Retail
B & O Railroad, Baltimore, Maryland	6.5	135,000 Sq. ft.	Locomotives 60 Cars 85	Several Thousand	None	<ul style="list-style-type: none"> 20' of track for hand car use by guests 1.5 mile steam train ride 5 times per summer and weekends 	<ul style="list-style-type: none"> 3 excursion trains per year - 8 - 12 hours 	<ul style="list-style-type: none"> 1 lounge car serving cold food 1 dining car for lease to private caterers # of vending machines 	2,000 sq. ft.
Railroad Museum of Pennsylvania, Strasburg, PA	14	150,000 Sq. ft.	Locomotives 34 Cars 48	150,000	None	<ul style="list-style-type: none"> Operating signal system Coal shovelling opportunity and the opportunity to handle various tools 	<ul style="list-style-type: none"> 12 per year Haunted house and Halloween Living museum at Christmas Slide and lecture series 	None	1,200 sq. ft.
California State Railroad Museum, Sacramento, CA	12 & 15 for Expan.	100,000 - Exhibit 35,000 - Shop 50,000 - Storage 185,000 sq. ft.	157 Locomotives and Cars in total	30,000 & 2,000,000 photographs	Laser Disc Presentations Wide Screen Theatre	<ul style="list-style-type: none"> Animate rail car rocks on track and simulates a night time train ride 8 car train, 25 mile return, 3 days a week 	<ul style="list-style-type: none"> monthly lecture series California RR Festival each June special excursion trains members/volunteer activities 	None	Expanding Bookstore to 1,400 sq. ft.
Steamtown, Scranton, PA	66 acres	N/A	Locomotives 29 Cars 88	N/A	205 seat wide screen theatre	N/A	N/A	N/A	N/A

EXHIBIT 3

COMPARABLE RAILROAD MUSEUMS

(OPERATING COSTS/CAPITAL COSTS)

Attraction Name	Labour/ Management	Marketing	Utilities	Taxes	Insurance	Admin.	Prof. Fees	Restoration/ Acquisition	Supplies	Repair & Maintenance	Total Cost	Capital Cost
B & O Railroad, Baltimore, Maryland	\$805,000	\$75,000	\$96,000	\$64,000	\$36,000	\$51,000	\$11,000	\$150,000	\$35,000	N/A	\$1,323,000	\$17,400,000
Railroad Museum of Pennsylvania, Strasburg, PA	\$390,000	\$16,000	\$29,000	N/A	N/A	\$17,000	\$7,000	\$221,000	\$41,000	\$279,000	\$1,000,000	\$19,200,000
California State Railroad Museum, Sacramento, CA	\$1,550,000 (Includes Admin. & Prof. Fees - 30 full time employees)	\$30,000	\$700,000	N/A	N/A	-	-	\$200,000	-	\$600,000	\$3,100,000	\$42,000,000
Steamtown, Scranton, PA			\$1,200,000					\$250,000			\$4,300,000	\$66,000,000 (5 year program)

CORPORATE FUNCTION FACILITY COMPARABLES

Our interviews with comparable railroad museums in the United States indicate a significant source of revenue may be derived from the renting out of parts of the museum (after hours) for corporate or social functions. Three out of four interviews could not stress this strongly enough. The foyer and orientation area of a new forty-two million dollar Rail Road Technology museum in Sacramento, California is being designed with this function being foremost in mind.

Our comparables research in Toronto reinforces this trend. Our projections are based on the foregoing and include estimated revenues for both base rent and a percentage (15%) of gross catering dollars.

We believe the design of specific areas of the museum should recognize this revenue source.

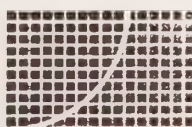
EXHIBIT 4

CORPORATE FUNCTIONS COMPARABLES

Facility	Description	Maximum Occupancy	# of Functions Per Year	\$ Per Function	Estimated Gross \$\$
Casa Loma, Toronto, Ontario	Historic castle and gardens offering both corporate functions and weddings.	Minimum 125 people weekdays. 150 people weekends. Maximum 300	144	\$1,100 weekdays \$1,600 weekends plus 15% of gross of outside catering.	\$194,400 \$171,720 \$366,120
Epoch Turner School House, Toronto, Ontario	Restored school house (1848)	50	150	\$400 weekdays \$1,000 weekends Catering %	\$120,000 \$79,500 \$199,500
Art Galley of Ontario, Toronto, Ontario	Rooms of various sizes available. Must be corporate benefactor - \$2,500 or Curators Circle - \$1,600 Facility Free (setup charge, security and cloakroom \$850) Most join curators circle specifically to have wedding there.	Varies: 300+	130	\$850 setup charge and estimate of purpose bought membership 32,500	\$150,000 \$117,000 \$267,000
California State Railroad Museum, Sacramento, CA	High-ceilinged exhibit space.	400	102	\$1,600	\$163,200 \$91,800 \$255,000

APPENDIX III

*SUMMARY OF MARKET
PENETRATION ESTIMATES*



THE ECONOMIC PLANNING GROUP of Canada
Tourism and Management Consultants

APPENDIX III

SUMMARY OF MARKET PENETRATION ESTIMATES

The purpose of this Appendix is to more clearly explain the theory behind the projected market penetration levels for the three development options analysed in this report.

As discussed earlier in our report, our methodology of estimating attendance for attractions of the nature of the Roundhouse Park project is to examine how similar attractions perform in their markets, compare the demand generating characteristics of the similar attractions to the attraction being analysed and to develop estimates of the probable level of market penetration the new attraction will achieve based on this competitive advantage analysis.

The average market penetration experience of the comparable facilities is as follows (see Exhibit 1 of the main report for more detail on comparable attraction market penetrations):

CATEGORY	AVERAGE RESIDENT MARKET PENETRATION	AVERAGE TOURIST MARKET PENETRATION
MODEST INVESTMENT LARGE MARKET	1.80%	1.51%
LARGE INVESTMENT LARGE MARKET	10.38%	2.22%

Our projected market penetration levels are as follows:

OPTION	RESIDENT MARKET PENETRATION	TOURIST MARKET PENETRATION
BASE CASE	1.8%	0.70 % - 1.30%
ENHANCED CASE	2.4%	0.85% - 1.55%
VISION CASE	4.0%	1.50% - 2.50%

In our opinion the base case of the Roundhouse Park concept relates to the low end of the modest investment comparables facilities. However, as we are suggesting a level of marketing beyond what is generally associated with such facilities, we have projected a penetration equal to the average of the modest investment comparables for the tourism market and slightly below average for the tourist market. The poorer performance in the tourist market is due to the lack of interactive exhibitry, which is an important demand generator in this market and contributes to the uniqueness of the attraction and the visitor experience.

The nature of the elements added in the enhanced concept are basically ride style attractions in the park, with a few modest additions to the Roundhouse itself. In our opinion, these types of additions should allow the Roundhouse Park project to move above the average of the modest investment comparables market penetration into resident market. Tourist market penetration will also improve, but to a lesser extent.

When high tech and interactive exhibitry are added to the concept, along with additional ride attraction elements, as is the case with the vision concept, the roundhouse project moves into the market penetration area between the modest and the large investment comparables.

Appendix 8

**Notes on Conceptual Feasibility:
Christopher Andreae,
Historica Research Limited**

CONCEPTUAL FEASIBILITY

STILL TO BE DEVELOPED

1. GOALS, OBJECTIVES, AND THEME

1.1 Goals

- i. To provide a focus for communicating with the public the past, present and future significance of railway transportation to Ontario in particular, and to Canada where merited.
- ii. To relate the role of railways in Ontario to the broader issues of transportation in general.

1.2 Objectives

- i. Present collections to the public through static and operating exhibits and displays and appropriate activities and education programs;
- ii. Disseminate information to the community on all aspects of the railway industry both historic and contemporary by means of exhibits, programs, publications, and other suitable means;
- iii. Develop an operational structure which will integrate and harmonize with existing and proposed cultural facilities in Toronto and region and meet the needs of the general public, City of Toronto, and the railway interpretive centre.

Museum Objectives to be considered in future

- iv. Preserve existing collections and expand collections as necessary to adequately represent the technological, social and economic history and current activities of the railway industry;
- v. Undertake research to adequately document the collections and to ensure that all presentations to the public and all education programs draw upon a rigorous information base.

1.3 Theme

Railway activities touched all aspects of life in Ontario in the 19th and early 20th century. In addition to running trains, railway companies engaged in lake shipping, agricultural promotion, telecommunications, hotels, and real estate. Indirectly, companies were involved in mining, logging and other non-rail activities.

Railways continue to play an active role in our modern society as a major transportation mode. Within Toronto, rail transit – streetcars, subways and GO Transit – are significant contributors to improving the urban environment. Today, Ontario is a centre of railway manufacturing, research and development. UTDC is a world leader in developing new rail transit systems. Hawker Siddeley in Thunder Bay, General Motors in London, National Steel Car in Hamilton and Procor in Oakville are large locomotive and car builders. Algoma Steel in Sault Ste. Marie has one of only two rail rolling mills in Canada. The Canadian Institute for Guided Ground Transport at Queens University, Kingston, is a major rail research facility supported by the two national railways.

Given the wide scope of railway heritage in Ontario, the railway interpretive centre should have a broadly based interpretation policy. Technological, social and economic issues should all be considered. A recommended theme for the proposed centre is *Railways and Society*. The theme is sufficiently general to permit the interpretation of both provincial and national issues, as appropriate.

Theme Components

- *Corporate Development* (History of railway companies in Ontario and Canada roundhouse; famous events, disasters, people.)
- *Railway Technology* (Rolling stock; track and signalling; bridges and buildings.)
- *Railway Economics* (Passenger, freight, express, mail traffic)
- *Labour* (Working conditions; union movements; YMCA, service clubs; apprenticeship systems, etc.)
- *Impact of Railways on Ontario* (Growth of settlement; influence on urban location; growth of industry; spin off of railway industry: Canada's first big business; introduction of new materials; development of standard time; folklore)
- *Associated Railway Services* (Hotels and recreation – Minaki Lodge, CN Tower, etc; marine services/train ferries; CN/CP telecommunications; highway and airline services; radio; agricultural promotion)
- *The Railway Today and Tomorrow* (Research – Canadian Institute for Guided Ground Transport, UTDC; Builders – National Steel Car, Hawker Siddeley; Procor, Algoma Steel, GMD; Services – freight, passengers, telecommunications)

2. PLANNING PRINCIPLES

2.1 Interpretive Centre

The John Street Roundhouse will be developed initially as a railway interpretive centre to carry out first three objectives. These are the most publicly obvious, allow for public interaction and best fundable sources.

Museum functions can be considered to include everything contained within an interpretive centre but with the addition of collecting and research mandates. Museums require environmental controls for long term preservation. Railway museums, in particular, may require immense spaces for collections storage that may not be seen by public. Restoration standards are generally far more rigorous than for interpretation centres.

The John Street Heritage Centre will work with existing collections, especially those of the CHRA, NMST, OERHA, National Archives, and Parks Canada to ensure that sound collections being undertaken. A long term goal of the centre may be to have a collections mandate.

2.2 Public Place

The Task Force promotes the development of a public park around the John Street Roundhouse that will:

- Create a public place in the City,
- Maximize public open space and,
- Preserve and enhance railway heritage.

2.3 Economic Self-Sufficiency

The City of Toronto has indicated that the project should, if at all possible, be self-sustaining. Since no cultural facility of this scale in Canada is directly self-sustaining, the economic benefits of the Centre will be measured in relationship to its impact on tourism in general and local benefits in particular. As such, this Task Force believes that if this project is to succeed:

"Nothing less than a viable/attractive option should be funded; a half finished or underfunded project is not acceptable in that location."

3. ADMINISTRATION AND OPERATION

Administration: eg A non-profit foundation to administer the Centre; a director that reports to a board of management?

Staff: eg At maximum development the site would require a full time staff of 20-40 people. Volunteers will be important and drawn from both individuals and from railway organizations.

STILL TO BE DEVELOPED

4. INTERPRETATION AND COLLECTIONS

4.1 Interpretation

i. The Railway Heritage Centre will:

Provide a "hands-on" experience in which the visitor can observe and participate in a variety of railway related activities such as could include hand car rides, a chance to swing a spike maul in a track laying demonstration or even courses in "dining car cookery;"

Develop temporary and permanent exhibits on a variety of themes;

Sponsor excursions steam, diesel, and street car excursions for entertainment, education and fund raising;

Restore rolling stock as an important demonstration activity, to provide future exhibits, and to ensure the long term preservation of its artifacts;

Construct display models, live steam operations (ie miniature scale), and/or other interpretive activities;

Provide research facilities and "on line" services to libraries and archives – such as CPR, Montreal;

Use videos, computers and other electronic means of communication;

ii. The Railway Heritage Centre will work closely with the Convention Centre to coordinate entertainment, trade shows, and other complementary activities.

4.2 Collections

Rolling Stock: Since rolling stock will form a major visual basis for interpretation and as they are the most space consuming features of the facility, rigorous selection criteria will be developed by the staff to ensure proper rolling stock is acquired by the railway interpretive centre. Historic rolling stock will be borrowed from other museums; both the National Museum of Science and Technology, Ottawa, and the Canadian Railroad Historical Association, Montreal, have indicated their willingness in principle to loan equipment.

Small Exhibits: Small artifact material still exist in railway use and private collections (tickets, station equipment, car equipment and photos) will be used on a loan basis and if necessary acquired through donation.

Large Exhibits: Large structures on site include Cabin D, the water tank, the coal/sand tower, and the stores building. It is the understanding of the Task Force that the Stores Building will be removed and may be replaced with a new structure in future. Other exhibits will include stations, stand pipes, track components, bridges and signalling equipment acquired by purchase or donation subject to roof loading on the Convention Centre and to limitation imposed by park design.

Library/Archives: The centre will create a publicly accessible library of research material and an archive.

John Street Roundhouse: The Roundhouse is the biggest artifact on the property and has been designated as a National Historic Site. Development and upgrading of the roundhouse building will be undertaken in ways that will not adversely affect the historic fabric of the building or diminish the visual impact of the building's interior as an artifact.

5. ARCHITECTURAL APPROACH TO ROUNDHOUSE

5.1 Building Components

Building Total: 99,000 ft²

- i. Orientation Block
entrance to building - admissions, administration,
theater
30,500 ft²
- ii. Thematic exhibit Halls
These exhibits would be organized within the stalls, setting up a series of
circulation loops penetrating to the back of the building. The halls will
include demonstrations, education facilities and both permanent and
temporary exhibits.
52,000 ft²
- iii. Food Service/Gift Shop
Themed dining car/restaurant plus kitchen, washrooms, etc
7,500 ft²
- iv. Restoration/Mechanical
Restoration facilities, exhibit workshops and mechanical and electrical
service spaces.
9,000 ft²
- v. Outdoor
Turntable
Program/Display Space
Amount of space to be determined with convention centre/parks
department: size, location, security, design
- vi. Spur Track

5.2 Connection to Convention Centre

A convenient connection - elevator, stairs, etc - directly between
Convention Centre and the Railway Heritage Centre would be highly
desirable.

6. DESIGN APPROACH TO PARK

6.1 Objectives

The 1984 Barton Myers site plan developed objectives for the park development. The Task Force agrees with and adopts these Objectives:

- *Public Routes:* Develop a clear, direct system of public routes for pedestrians to the building and through the park.
- *Building Address and Identity:* Develop a clear point of entry to the building.
- *Building in a Park:* Allow the powerful form of the roundhouse and turntable enclosure to be seen as a complete object in the round, allowing sufficient clear viewing distance around the building.
- *Historical Traces:* Retain selected elements of the railway lands – coaling and sanding tower, access tracks, water tank – to maintain a sense of their functional interrelationships.
- *Transformed Traces:* Build on the footprints of buildings, structures and trackage proposed to be demolished and removed and to incorporate new landscape elements as transformations of traces of the past.
- *Industrial Garden:* Develop the concept of the park as a collection of industrial fragments and ruins of railway history. Besides having outdoor displays of rolling stock, this objective seeks to incorporate other significant features such as railway signal and control towers, lighting and sanding towers, etc.
- *Visual Connections to Downtown Toronto:* Retain view to the Royal York, Union Station and the skyline of the Financial District.
- *The Curving Public Boulevard:* Reinforce the continuity and urban image of the proposed east-west boulevard on the railway lands through the use of double rows of uniform street trees.

6.2 Stakeholder Issues

The Railway Heritage Centre will be one of several stakeholders that will share the park. The Heritage Centre must ensure that it has adequate control of portions of the park for programming and display purposes.

It is the Task Force's understanding that the Stores Building will be removed and may be replaced with a new structure in future. The City Parks Department should not preclude the construction of future buildings in the park for Railway Centre purposes.

TECHNICAL FEASIBILITY AND PHASING

STILL TO BE DEVELOPED

1 Technical Feasibility

Access Track A spur track with a maximum curvature of 16°, approximately 2% grade and 19 foot clearance can be built between the CNR High Line and the turntable. The property can technically originate two car excursion trains and this option should be considered in future developments.

Convention Centre Roof: The Convention Centre Roof will accommodate structures up to the load level determined by landscaping. Existing plans require that the turntable pit and the floor of Stall 8 will be strengthened to handle any locomotive size. Ceiling loadings preclude the operation of rolling stock across the park.

Roundhouse Building: No studies to date have indicated that there are any technical reason for not using the Roundhouse as a Railway Heritage Centre.

Other Technical Constraints?

- air quality/noise By-laws
- can there be a physical connection with the Convention Centre?
- etc.

2. Phasing

Phase One: Open Roundhouse

Capital Costs:

- renovate stalls 12-32 as per agreement
- add ATCO trailers, etc for site interpretation

Operations:

- develop capital funding phase
- establish board, operating staff, etc
- work with Convention Centre/Parks Department to develop master plan for Park
- operate excursions from Union Station or other suitable site

Timing:

- open during convention centre construction - if practical?

Phase Two: Roundhouse Development

Capital Costs:

- following convention centre construction
- restore turntable
- reposition coaling tower
- construct permanent exhibitions
- rebuild stalls 1-11
- construct spur line
- renovate small buildings eg Cabin D

Operations:

- implement on site programming
- develop new, ongoing programmes, activities

Timing:

- concurrent with Park Development; follows completion of Convention Centre

Phase Three: Park Planning

Capital Costs:

Administration:

Timing:

- concurrent with Roundhouse Development; following completion of Convention Centre

Phase Four: Future Developments

Capital Costs:

- rebuild Stores Building
- add outdoor exhibits

Operations:

- Reorganize Board of Development into Board of Management
- Special projects fund raising activities
- Operate excursions from property
- Monitor exhibits/programs and upgrade as necessary

Timing:

- to be developed after initial capital phase

FINANCIAL FEASIBILITY

STILL TO BE DEVELOPED

1 Capital Costs

Roundhouse Renovations/Upgrade:

Exhibits:

52,000 ft²

(@ National Museum of Science & Technology estimate of \$150/ft²)

Spur Line:

Coal/Sanding Tower

Turntable:

Cabin D— —

Water Tower

Park:

Other Capital Costs

2. Operating Costs

3. Visitation/Operating Revenues

4. Sources of Funding

Possible Partners Include:

Federal Dept of Canadian Heritage

Railway Companies

Railway Supply Industry

City of Toronto

Province of Ontario

The Railway Heritage Centre will:

- make available the rental of selected facilities
- encourage corporate sponsorship of exhibits
- promote fund raising activities such as rail excursions
- sell its expertise in railway exhibit design and railway research on a contract basis to other institutions and individuals
- develop an aggressive retail function in food services and gift shop
- seek joint revenue activities with Convention Centre (such as use of theater)

Appendix 9

A Special Museum Program: Building and Operating a Replica of the “Toronto”

A SPECIAL MUSEUM PROGRAMME

Building and operating
a replica of the Toronto

A SPECIAL MUSEUM PROGRAMME: THE TORONTO

The Toronto was the first steam engine to have been built in Canada or anywhere else in the British colonies, and it was built in Toronto in 1853.

Less than 20 feet in length, it weighed 25 tons, had a 16 inch diameter cylinder, a stroke of 22 inches, a driving wheel of 5 feet 6 inches, and its firebox measured 4 feet 6 inches in length by 3 feet 5 inches in width by 5 feet in height. The engine was wood fired. It was the first of nine locomotives made by the Good Foundry for the Ontario, Simcoe and Huron Union Railway between 1853 and 1855.

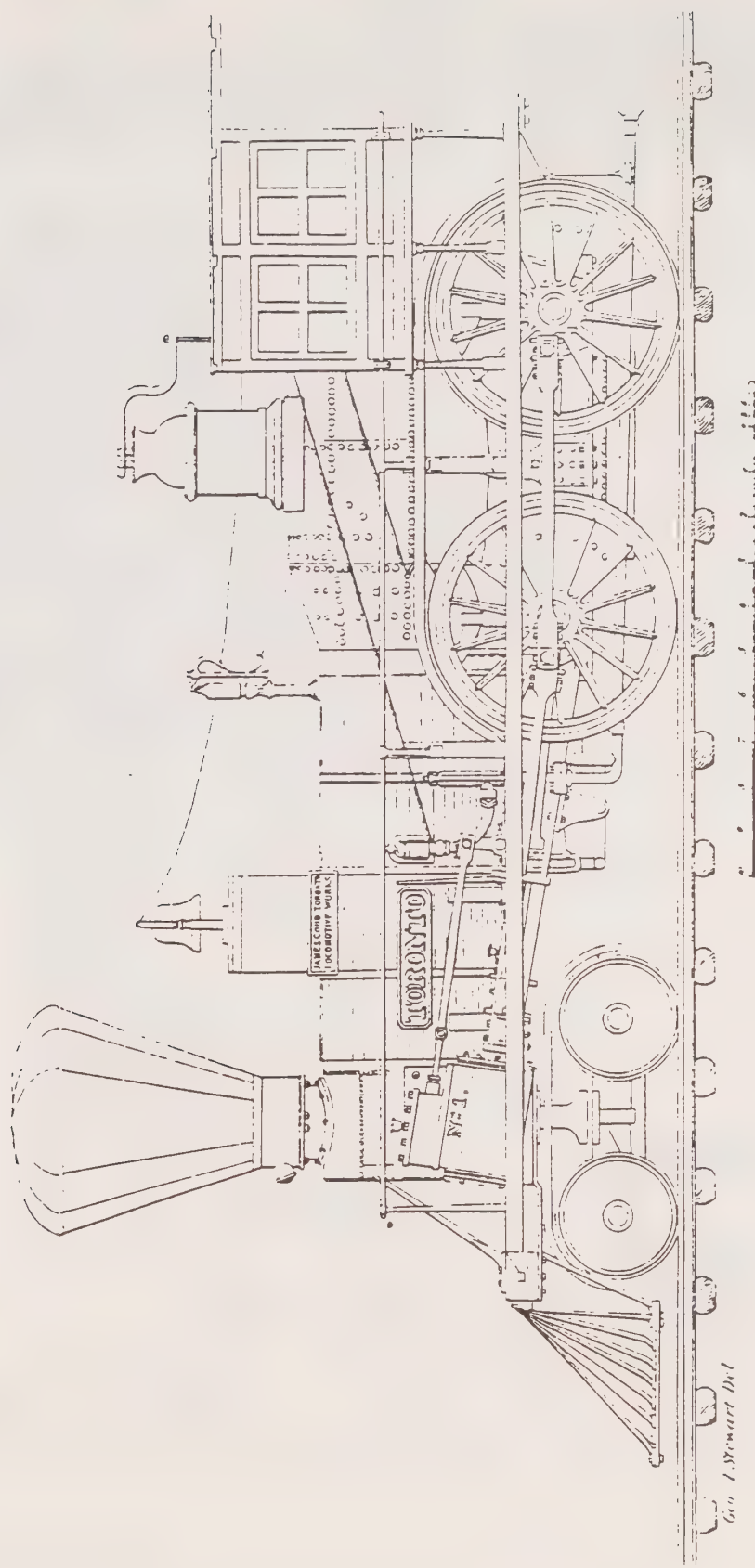
A description of the little locomotive is given in the Canadian Journal of 1853-4 (No. II Series) on page 76. An article was researched and written for Canadian Rail magazine (May-June 1990) which presents research from many sources, and includes a picture of the locomotive in its 1881 state as reproduced on a 1983 Canadian postage stamp. Information about the foundry and its owner is available in City Directories, and a biographical entry on James Good is given in Volume II of the Dictionary of Canadian Biography.

James Good's foundry was located at 6-10 Queen Street East, between Yonge and Victoria Streets. Established in 1832, it operated in a frame building three storeys high, 125 by 122 feet, and contained a machine house, moulding unit, blacksmith and pattern shops, a stove mounting shop, warehouse, and counting room. It produced every type of engine, grist and saw mill machinery, stoves, hollow-ware, tin, copper, and sheet iron, and potash kettles. The earliest records assert that Good produced the first steam locomotive in Canada. He also served on Toronto City Council in 1854 and 1855.

It is believed at present that sufficient technical information exists for an engineer with appropriate background and assistance from rail heritage experts to produce drawings of the engine as the first stage of a full programme to recreate the little locomotive. Replication to operational condition would take several years to carry out and would draw world-wide attention.

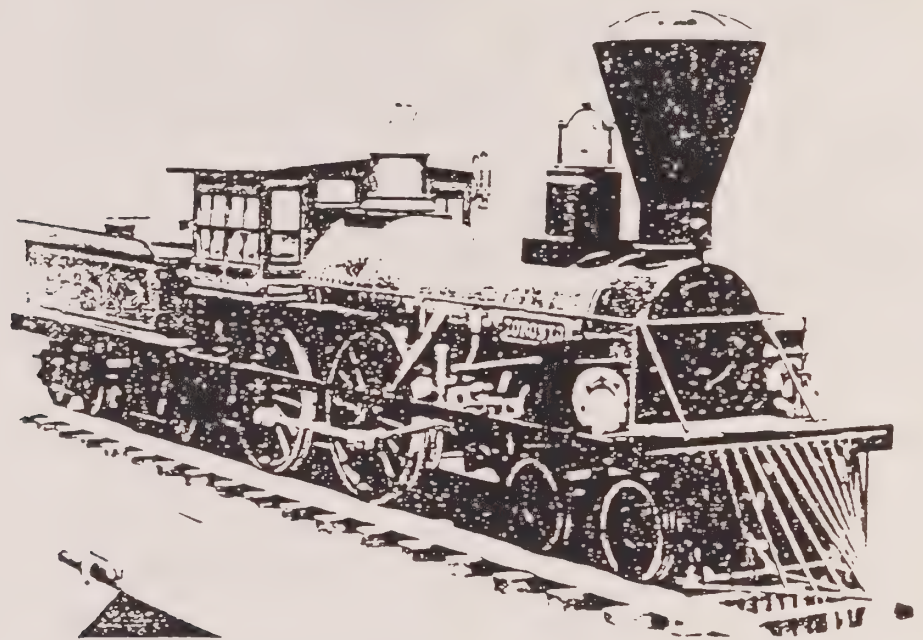
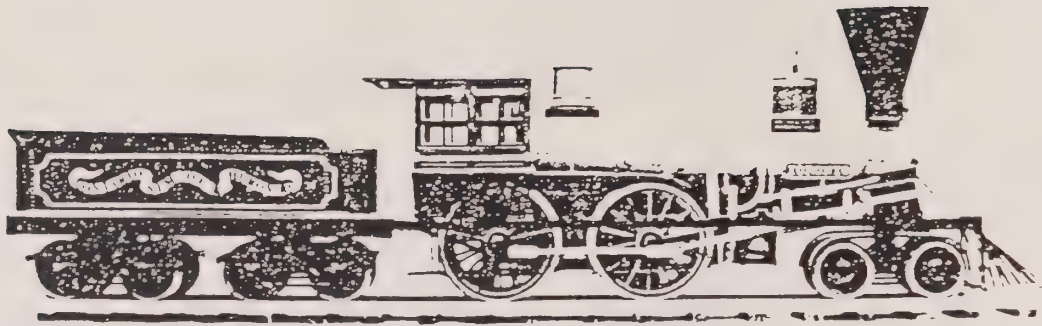
The programme would be of the "hands-on" variety, carried out primarily by volunteers under the direction of experts, and it should involve university and college classes in engineering plus classes from schools at primary and secondary levels. For tourists and casual visitors, the programme would be an irresistible attraction - more so after the locomotive was in operating condition.

The replica could not be operated on existing rail trackage as the "Toronto" used much narrower gauge rails. Given the light weight of this locomotive, it would be possible to lay narrow gauge rails in a circular route on the John Street site itself so that the locomotive could actually run without leaving the site.

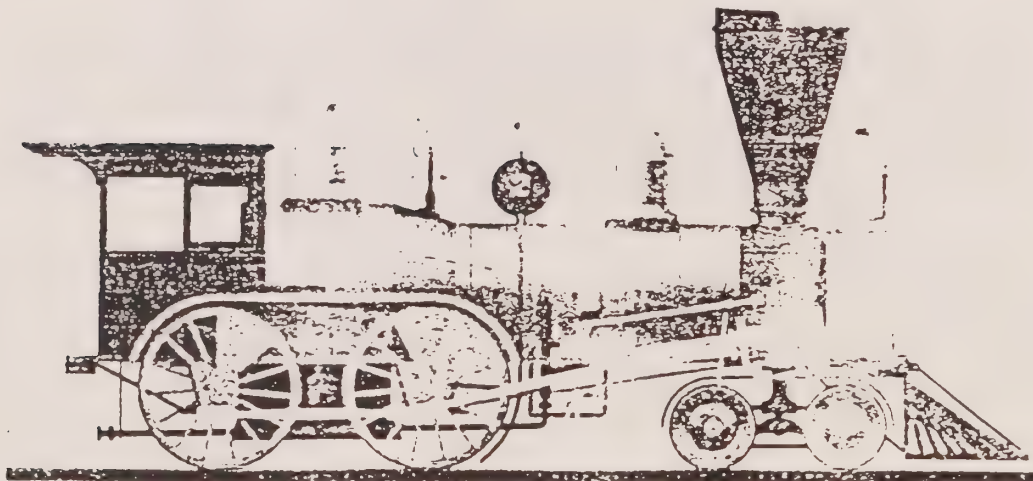


THE GREAT TORONTO RAILROAD

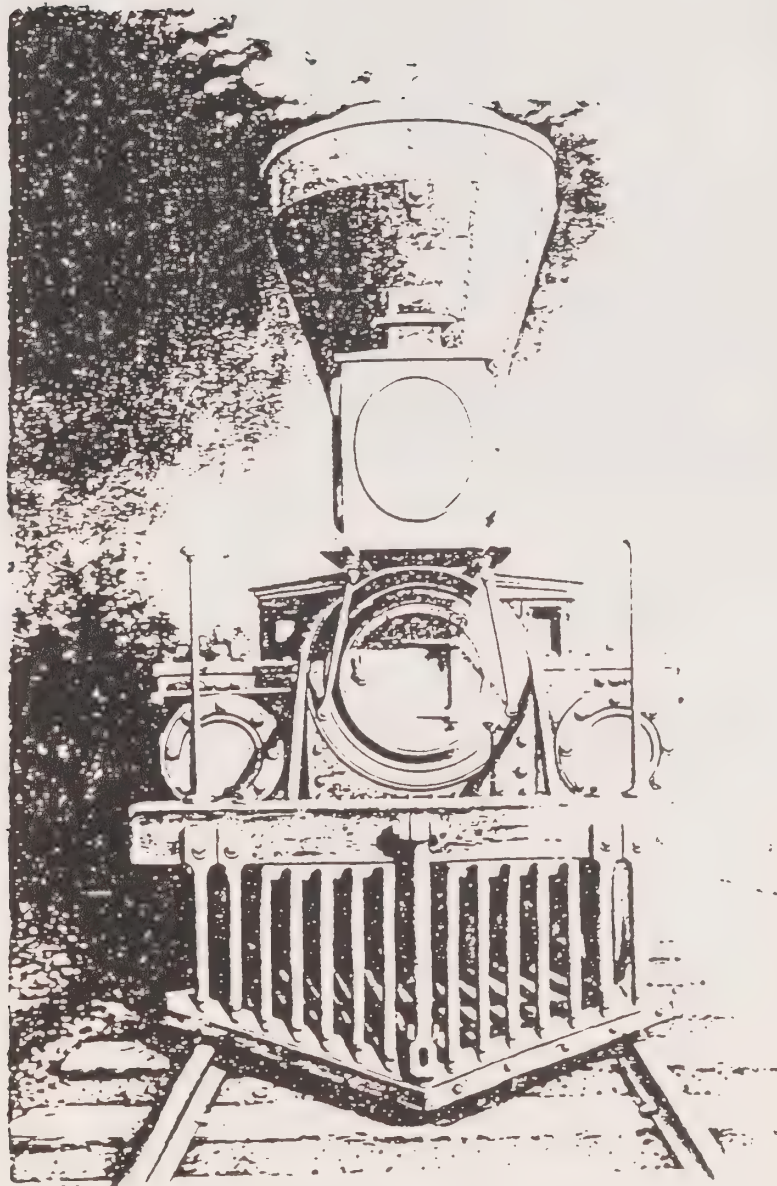
By the Great Toronto



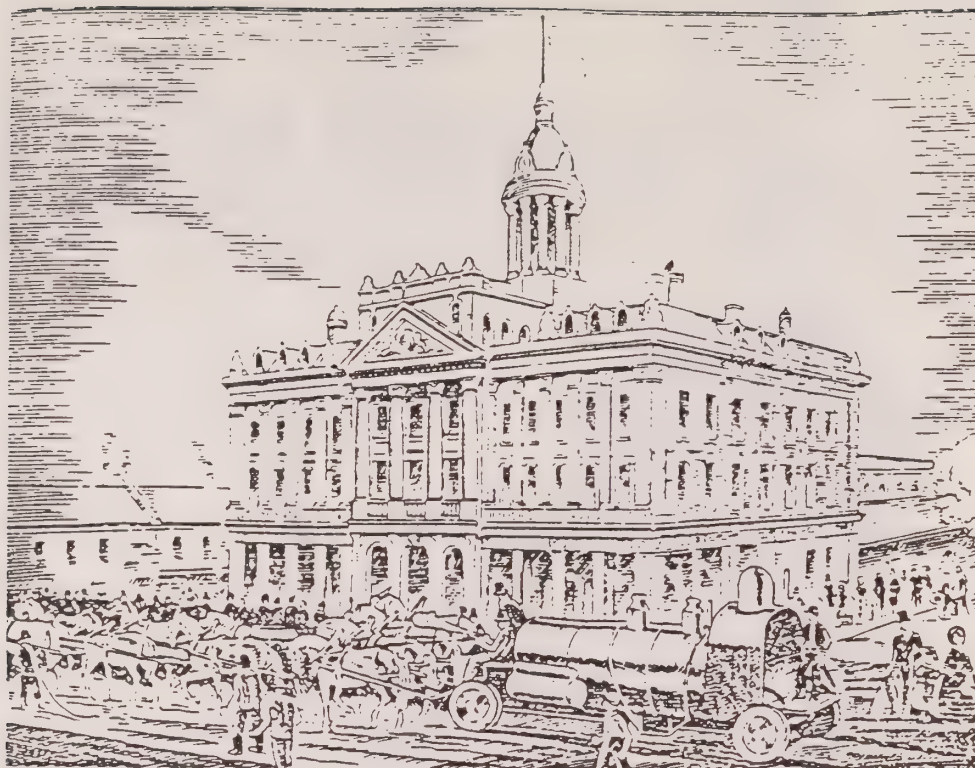
A model, built by Fred Angus in 1984, showing the "Toronto" as it may have looked new



The "Toronto" was remembered in 1983 when it appeared on a Canadian 32-cent postage stamp first issued on October 3 of that year. This view is based on the 1881 photograph (see page 77) and thus shows the locomotive as it appeared at the end of its career



A head-on view of the "Toronto" under full steam. This drawing was made in 1852 by John L. Cox, the founder of the CRHA.

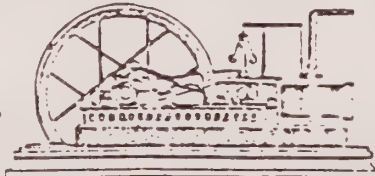


A locomotive boiler from Good's Foundry being hauled through the streets of Toronto behind a large team of horses in 1855. From a drawing in the Daily Colonist

ESTABLISHED 1832.

GOOD'S FOUNDRY!

Nos.
6, 8 & 10,
QUEEN ST.
EAST,



TORONTO,
ONTARIO.

JAMES GOOD, PROPRIETOR,
MANUFACTURER OF
STEAM ENGINES,
AND EVERY DESCRIPTION OF
CRIST AND SAW-MILL MACHINERY,
Stoves, Hollow-Ware, Tin, Copper and Sheet Iron Ware.
ALSO, MANUFACTURER OF
POTASH KETTLES.

An advertisement for Good's Foundry from the Toronto city directory of 1867. This was after James Good had resumed ownership

ESTABLISHED 1832.

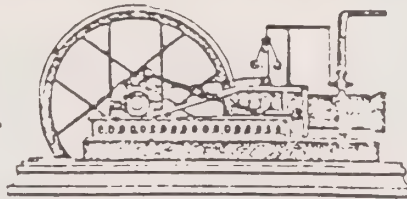
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Stoves, Hollow-Ware, Tin, Copper and Sheet Iron Ware.

ALSO, MANUFACTURER OF

POTASH KETTLES.

GORDON & TAYLOR,

TORONTO.

WOOLLEN, BATTING AND SHODDY!

UPHOLSTERERS will find our *Carded Woollen Batting* to be the best material for Mattresses, Cushions, Quilts, Chairs, Ottomans, &c., one pound will go as far as two of Cotton Batting. Besides forming a more elastic and springy cushion, &c., for less money. Send for samples. SHODDY of all colors and qualities for Manufacturers' use supplied at shortest notice, to the trade only. SADDLERS, TAILORS, UPHOLSTERERS &c., supplied at low prices with Shoddy suitable for Padding, Stuffing, &c.

Try our Batting and Shoddy once, and you will have it again.

129 ADELAIDE STREET WEST,

BETWEEN YORK AND SIMCOE.

For PEDLERS and TINSMITHS, &c., we manufacture and have constantly on hand, a great stock of *Pressed Tin Ware and Lapped Ware*, including all kinds of *Pail Covers, Brests, Bottoms, Plates, Pattis, Fars, Knobs, Mouthpieces, &c.*, and a complete assortment of *Tinware* for PEDLERS, for which we take in exchange the following *Stock*—*Old Copper, Brass, Lead, Zinc and Iron; Cotton and Woollen Rags, Horsehair, Wool Packs, Sheep Skins, &c.*

BABBITT METAL!

Machinists and Manufacturers of all kinds using BABBITT METAL, will find it to their advantage to try our No. 1 quality, the only genuine and original Babbitt Metal in the Dominion.

SEND FOR A CIRCULAR.

GORDON & TAYLOR.

From the City Directory of 1867 - a full page.

The very first steam locomotive built in Canada was made right here in Toronto in 1853 for the new Ontario Simcoe and Huron Railroad which was building a railway from Toronto to Collingwood. This was one of the pioneer railways of Ontario and it began the changes that were to affect the lives of every Canadian as the young nation of Canada grew to become the great country that it is today.

Perhaps it is fitting then that a scale replica be built of this first Canadian built steam locomotive, the TORONTO. Early locomotives were given names instead of numbers (sometimes both) and others on the OS&H included the Lady Elgin and the Josephine built in the USA as were many locomotives. Others came from England and Scotland in the early days before Canadian locomotive building grew.

Another and much larger locomotive works here in Toronto was that of the Canada Foundry which built a number of locomotives in the 1920's for the CNR and CPR, some of which worked right here in Toronto, unfortunately none were saved. One of the large buildings (the erecting shop) remains in use today and can be seen on the east side of Lansdowne Ave. just north of the C.P.R. mainline.

To contrast the 1850's train pulled by the TORONTO replica another scale replica could be built of a diesel powered passenger train such as began the new era of passenger travel one hundred years later in the 1950's.

Appendix 10

Lists of Railway Equipment that Could be Available for Display in the Roundhouse Park

List, suggested by J. Christopher Kyle, of railway equipment which could be available for display in the Roundhouse.

A. Locomotives

CNR 6213	4-8-4	built 1942
CPR 2341	4-6-2	built 1926
CNR 9171	F3A diesel	built 1948
CPR 453	4-6-0	built 1912
CPR 5361	2-8-2	built 1926
CPR 6375	0-6-0	built 1913
CNR 4100	2-10-2	built 1924
CPR 1201	4-6-2	built 1944
CNR 6069	4-8-2	built 1944

B. Rolling Stock

CPR 420800	flat car	built 1919
CNR 2335	coach	built 1914
CPR 56	sleeper then parlour car then rules instruction car	built 1893
CNR 7195	combine	built 1919
CNR 45	business car	built 1883
CNR 51031	Jordan Spreader Handcar	built 1911 Manually operated track vehicle for an interesting and safe hands-on experience

List of Possible Equipment Available for Roundhouse Museum Opening
Submitted by Jane Beecroft.

1. Equipment already in Roundhouse (excepting streetcar)
3 diesel locomotives, 4 cars
2. CRHA equipment (as previously noted)
2 locomotives
3. CN Museum Train (on loan from National Museums)
2 steam locomotives, 5 passenger cars 19th century, non-operational at present
4. 6213 (City of Toronto - Toronto Historical Board)
1 steam locomotive, very heavy, operational with approximately \$500,000 restoration work
5. CPR 1201 and cars (on loan from National Museums)
1 locomotive, 4 cars
1944, steam locomotive, need approximately \$100,000 work to render operational
6. Bytown Railway Society, loan or rent
possibly 4 passenger cars

John Street Roundhouse has 33 bays. Above list can fill 26 bays. One bay devoted exclusively to building replica of Toronto.

Other Options:

- CPR 4500 diesel locomotive, available on loan from private collector in Oakville (John Vincent)
- CPR 5361 steam locomotive, privately owned in Buffalo may be borrowed to start and repatriated by purchase
- CNR World War I passenger/baggage car, privately owned in Buffalo, may be borrowed and repatriated through purchase
- CPR should be asked to donate a Jordan Spreader (a Canadian invention by O.F. Jordan) used to plough snow and ballast

- VIA Rail should be asked:
 - to loan or donate one of their 1950s sleeping cars (presently being retired)
 - to loan or donate a Park Observation car (from the Canadian) as they have three spares and these match the Cape Race Cars from the 1920s
 - to loan or donate a pair of passenger MLW A unit diesel locomotives of the 1950s (very few left now)

LIST OF

POSSIBLE EQUIPMENT AVAILABLE FOR ROUNDHOUSE MUSEUM OPENING SUBMITTED BY JANE BEECROFT

1. Equipment already in Roundhouse (excepting streetcar)
3 diesel locomotives, 4 cars
2. CRHA equipment (as previously noted)
2 locomtives
3. CN Museum Train (on loan from National Museums)
2 steam locomotives, 5 passenger cars
19th century, non-operational at present
4. 6213 (City of Toronto - THB)
1 steam locomotive, very heavy, operational with
approximately \$500,000 restoration work
5. CPR 1201 and cars (on loan from National Museums)
1 locomotive, 4 cars
1944, steam locomotive, need approximately \$100,000
work to render operational
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to loan or donate a Park Observation car (from the
Canadian) as they have three spares and these match
the Cape Race cars of the 1920s

to loan or donate a pair of passenger MLW A unit
diesel locomotives of the 1950s (very few left now)

203 Symington Avenue,
Toronto Ontario,
October 18, 1991

Mr. Raymond F. Rivard,
Area Manager East,
Ministry of Tourism & Recreation,
1265 Arthur Street East,
Suite 302,
Thunder Bay, Ontario,
P7E 6E7

Dear Sir:

Further to my letter to Ms. Pam Bailey of May 25, 1991 regarding the possible acquisition of two (2) Canadian Built steam locomotives and rolling stock by the Government of Ontario.

I feel it is necessary to illustrate the enormous popularity of the steam operated tourist railroad, and the potential economic benefits that such operations can bring to the towns along the route. There is no greater evidence of this than the numerous operations that have emerged throughout the United States in the last few years. Since 1985, no fewer than twenty (20) steam tourist operations have opened nation wide, and virtually all are at least self supporting, or require very little government assistance.

Most of these operations have taken steam locomotives that have been on static display. They have been re-built and returned to active service. Here is a list of locomotives that have been returned to service since 1985.

<u>Engine & Type</u>	<u>Owner</u>	<u>Date</u>	<u>Location</u>
Frisco 1630 2-10-0	Ill. Railway Mus.	May/85	Union Ill.
AN 152 4-6-2	Kentucky RR Mus.	Sept./85	Lexington Ky.
Pere Marq. 1225 2-8-4	Mich.State Trust	Nov./85	Owosso Mich.
Rio Grande 464 2-8-2	Huckleberry RR	May/89	Flint Mich.
Cotton Belt 819 4-8-4	Cotton Belt Hist.	Apr./86	Pine Bluff Ark.
N&W 1218 2-6-6-4	Norfolk-southern RR	Jan./87	Birmingham Al.
Frisco 1522 4-8-2	Nat. Mus. of Trans.	Sept./87	St.Louis Mo.
Can. Nat. 1551 4-6-0	Jerry Jacobson	Feb./88	Austintown Ohio
Can. Nat. 1395 4-6-0	Coopersville RR	Mar./88	Coopersville Mich.
Can.Pac. 1098 4-6-0	Rail Tours Inc.	June/88	Jim Thorpe Pa.
PRR 1361 4-6-2	Strausberg RR	Aug./88	Altoona Pa.
NKP 587 2-8-4	City of Indianapolis	Sept./88	Indianapolis Ind.
AW&P 290 4-6-2	Southeastern RR Mus	Aug./89	Duluth Ga.
SP&S 700 4-8-4	Portland Oregon	May/90	Portland Or
SP 2472 4-6-2	Project 2472	Jan./91	Redwood City Ca.
Santa Fe 3751 4-8-4	San. Bern. Hist Soc.	Aug./91	San Bernadino Ca.
Great North. 1335 4-6-2	Siouxland Hist.	O/G	Sioux City Ia.
Reading 2100 4-8-4	Steam tours Inc.	"	Hagerstown Ma.
NYC 3001 4-8-2	Lakeshore Hist Found.	"	Elkhart Ind.
Soo 1003 2-8-2	Sup. Shoreline Stm.	"	Superior Wis.
C&O 2700 2-8-4	S.T.E.A.M Inc	"	Canton Ohio
MKT 311 4-4-0	Nat. Mus. Trans	"	St. louis Mo.
N&W 475 4-8-0	Strausberg RR	"	Strausberg Pa.

It is obvious that the Americans recognize a good thing when they see it. It is also obvious that all of the above owners would not be spending the money establishing these tourist attractions, if it would not bring the economic benefits that they do. I sincerely hope that the Government of Ontario will take a hint and recognize the enormous potential that is available to it.

JOHN STREET ROUNDHOUSE MAJOR EXHIBITS

Equipment already on hand in(BOLD) (*original Toronto equipment)
In(brackets) is POSSIBLE equipment. CNR MT = CNR Museum Train at the National Museum of Science and Technology in Ottawa, in long term storage. If it can be obtained by purchase or loan it will be a major asset. Other equipment belongs to the Canadian Railway Museum of CRHA and may be available for loan, or is privately owned but thought to be obtainable.

This placement assumes stalls 1 to 11 will be rebuilt but unable to support the weight of any locomotives, therefore it will be used for freight and passenger rolling stock. The protection thus provided from the weather and vandalism is extremely desirable.

Track	R.R. Number	Type	Era	R.R. Number, Type	Era
1	(CNR MT 8400)	Baggage Car,	Early +	(Any RR) Wooden caboose,	Early.
2	(CNR MT 7108)	Combine,	Early +	TH&B 70 S.Sheathed Caboose,	Old.
3	(CNR 7380)	Combine,	Old +	(Any RR) Steel Caboose	Modern.
4	(CNRMT 59262)	Coach,	Early +	CP 188625 Wooden Box car	Early .
5	(VIA ?)	Sleeper,	Modern +	NIL	
6	(CNR MT 2541)	Sleeper,	Early +	(Any R.R.) 40' Steel Box car,	Old
7	(CNR MT 4006)	Diner,	Early +	(Any R.R.) 50' Steel Box,	Modern
8	(Any RR ?)	Coach,	Modern +	NIL	
9	CPR JACKMAN	Sleeper,	Old +	NIL	
10	CPR CAPE RACE	Observation,	Old +	NIL	
11	(VIA ___ Park)	Observation,	Modern+	NIL	
12	(CPR 3100)*4-8-4	Steam engine,	Old +	NIL	
13	(CPR 5361) 2-8-2	Steam engine,	Old +	NIL	
14	(CPR 6271)*0-6-0	Steam engine,	Old +	NIL	
15	CNR 6213 *4-8-4	Steam engine,	Modern +	NIL	
16	(CNR MT 40) 4-4-0	Steam engine,	Early +	(CNR MT 247) 0-6-0T,	early
17	(CNR 4100)*2-10-2	Steam engine,	Old +	NIL	
18	CNR 4803 GP7	Road Switcher Diesel,	Old+	(ONR 13--) RS3 Rd.Sw.	old.
19	(Any RR) RS18	Road Switcher Diesel,	Old +	(Any RR) C424 Rd.Frt.	old.
20	(Any RR) any model A	Unit Diesel,	Old +	same, B Unit.	
21	CPR 7020 * S2	Yard Switcher Diesel,	early.+	(Diesel Maintenance Area)	
22	(CPR 4500) C630	Road Freight Diesel,	modern +	NIL	
23	(Any RR) Rail	Diesel Car,	Modern +	NIL	
24	(Any RR) Spreader +	(Any RR) Snow Plow +		RVLX 101 Vinegar tank car,	old
25	(Any RR) Auxiliary;	Crane, Boom Car and possible		3rd car.	
26	Working steam locomotive.				
27	Working steam locomotive.				
28	Working steam locomotive.				
29	Equipment under restoration.				
30	Equipment under restoration.				
1	Stored equipment waiting restoration.				
32	Stored equipment waiting restoration.				

CITY OF TORONTO

CNR 6213

A fast modern dual purpose locomotive used on mainline passenger and freight trains.

4-8-4

It is a fine example of a common engine, more than 200 of which worked on many parts of Canadian National Railways starting in 1927 and lasting until the end of steam and even beyond since identical engines (6167 and 6218 preserved in Guelph and Fort Erie respectively) continued to haul passenger excursions for many years in the diesel era. Because of these excursions this Class (U2) CNR steam engine will be fondly remembered by many people. Also popular with the men who worked on them and railfans who watched and photographed them, this 4-8-4 type engine is an excellent choice for preservation. It continues under the care of the Toronto Historical Board. Originally donated to the City of Toronto in September 1960 its care has been assisted by the Upper Canada Railway Society members and other volunteers. In recent years it has primarily been cared for by two very dedicated volunteers, Grant Kingsland and Lorna Sloan. It goes without saying that it must be selected for inclusion in the proposed John Street Roundhouse Museum where it will be better protected from the elements, be in a more natural setting and be seen by far more people.

Locomotive

Blt. 8/42

This would be an ideal locomotive to rebuild for excursion rides once again!

CNR 4803

A more recent (August 1984) donation to the City of Toronto by Canadian National Railways, it is intended for the proposed Railway Museum. It is a good example of an early road switcher type of diesel locomotive used in nearly all parts of Canada by many railways both large and small; CNR, CPR, TH&B (Toronto, Hamilton & Buffalo), ACR (Algoma Central), QNS&L (Quebec, North Shore & Labrador).

CND CP7

Diesel

Capable of a variety of duties most diesels of this model have been retired, 4803 was the last one on the CNR. It will be familiar to people from all parts of Canada and the U.S. even though the CNR's GP7's worked mostly in British Columbia. It is not an outstanding locomotive or unique in any way, but rather a typical older diesel, which is its only significance. It is the only GP7 preserved so far, and would probably be a worthwhile choice for inclusion in the proposed Railway Museum. It has very wisely been restored to its early appearance in an old style paint scheme.

Locomotive

Blt. 9/53

CPR 7020

A typical very early diesel locomotive used for switching freight and passenger trains all across Canada on the CPR and CNR for more than 40 years! Thousands of similar diesels worked all over North America, but now only a few remain in use by small railways and industries as hand-me-downs. Everyone knows and will recognize the Alco switcher engine, its distinct sound is unique and will bring knowing nods. The chugging 539 model diesel and whistling turbocharger sound like no other!

ALCO S-2

Diesel

Locomotive

7020 is of very special significance to Toronto. It was the first unit of the second order of CPR diesels and as such was the FIRST diesel here and it has spent its entire life working night and day right here in Toronto assigned all these years to John Street Roundhouse. Basically original in its appearance (except for its newer paint style).

Blt. 9/44

Top priority must go its preservation regardless of the outcome of the proposed John Street project. If only one other piece of railway equipment (besides CNR 6213) can be kept, THIS IS IT.

This is a brief list of the rolling stock available, that is in serviceable condition. There may be other passenger cars in the inventory, however they may be in the process of re-manufacture.

Coach - Ex-	RF&P # 513	Builder Pullman 1928	Re-built & air conditioned	150 ⁹
Coach -	" # 524	"	"	"
Coach - Ex-	GTW # 4886	Builder Pullman Standard	1953	
Coach -	" # 4887	"	"	"
Coach -	" # 4888	"	"	"
Diner - Ex-	U.S. Army Hospital Car	Builder Amer. Car & Found.	1953	
Diner -	"	"	"	"
Diner -	"	"	"	"

Alternative Financing

Because of the high initial cost in purchasing this equipment, I have become aware of two possible alternate methods of financing this project. I have been dealing with the Federal Government regarding the re-patriation of certain historic railway equipment that now resides in the United States. I have been made aware of a re-patriation fund that is available to the Federal Ministry of Culture and Communications. Below is a copy of the business card of my contact person in the Culture and Communications Ministry.



Communications
Canada

Mary-Lou M. Simac

Assistant Program Manager Gestionnaire adjointe
Movable Cultural Property Programme des biens culturels mobiliers

300 Slater Street, Suite 500 300, rue Slater, Suite 500
Ottawa, Ontario K1A 0C8 Ottawa (Ontario) K1A 0C8

613 990-4161 613 990-4161
Facs 613 952-1231 Facs 613 952-1231

Canada

Also, I understand that Ontario Hydro is interested in funding or supporting projects that show the benefits of coal as an alternative fuel. This angle may be well worth investigating.

Motive Power

The motive power consists of two (2) Canadian built steam locomotives. These locomotives were among the last new steam designs constructed for Canadian Pacific during the late 1940's. These engines are of the light "PACIFIC " type(wheel arrangment 4-6-2.

The following is a brief description and history of the locomotives:

Ex-CP #1238

Builder - Montreal Locomotive Works
Built - June 1946
Serial - 74898
Class - G5c
Drivers - 70"
Cylinders - 20" bore 28" stroke
Boiler Press. - 250 psi.
Tractive Eff. - 34000 lbs.

BOILER

Fire Box - 70" W , 94" L
Grate Area - 45.6 sq.ft.
Tubes - Arch- 4- 3" dia
 - 21 -2" "
 - 141 -2½" "
Flues - 32 -5½" "

Weights

Drivers - 151700 lbs.
Loaded - 229500 "
Light - 205800 "

Tender

Loaded - 191000 lbs.
Light - 79500 "
Coal - 14 Tons
Water - 8000 Gal.

Ex-CP #1286

Builder - Canadian Locomotive Company (Kingston Ont.)
Built - May 1948
Serial - 2443
Class - G5d

All of the technical data for locomotive # 1286 is identical to that of locomotive #1238.

- Both these locomotives were sold by Canadian Pacific in December 1963 to Mr. George Hart.
- Re-sold to Red Clay Valley RR Equipment Leasing 1965
- Re-sold to present owner 1968, and operated until present time.

Appendix 11

Notes on the Access Spur Line

John Street Roundhouse-Spur Line Connection

Introduction

In keeping with the basic theme of an operating heritage rail museum, it was proposed that a spur line connection be provided between the turntable and the main rail corridor. It would serve two basic functions: first, it would move equipment to and from the Roundhouse for display, storage, restoration, etc., and, second, it would enable steam excursion trains to run from the Roundhouse to various destinations. To assist them with necessary studies into the design concept, costs, and impact of such a spur line, the Task Force retained consultants specializing in railway engineering and functional planning.

Design Concept

The engineering review confirmed that it is physically possible to construct a spur line connection from the main line to the turntable. The alignment developed by the consultants and illustrated on the attached diagram conforms generally with the layout described in the agreement between the Provincial Facilitator and the Chair of the Society of Heritage Associations.

The design criteria used in developing the alignment was developed by the consultants and reviewed with engineering staff from CN Rail.

For design purposes, the maximum horizontal curvature was set at 16 degrees and other design features included No 10 or 12 turnouts, electric lock, curve corrected grades, etc.

The alignment selected provides as much separation as possible between the tracks and the air intake vents of the Convention Centre or the CN Tower's mechanical room. Further studies are needed to determine if additional remedial action is necessary for air quality or structural reasons.

Impact on Tower Park East

Because of grade differences between the Roundhouse/main rail corridor and the landscaped Tower Park East, it would be necessary to either re-grade the Park and flatten the area where the spur line will cross or to make deep cuts, of as much as five meters, in the existing Park and the retaining walls. In either event, there would be a significant impact on the Park and a barrier effect. If the spur line were used only for infrequent equipment moves and the Park were redesigned so that it is at grade with the spur line, it would be possible to place a composite material between the tracks so that pedestrians could cross safely. (Tracks in high pedestrian traffic areas could even be removed when they were not in use). If excursion trains were operated out of the Roundhouse area, the entire rail right-of-way would have to be fenced and gated to prevent pedestrian crossing or access.

The introduction of a spur line would also have an impact on the pedestrian routes to the CN Tower and the Skydome. Because of grade changes, it would not be possible to maintain accessibility for handicapped persons taking the more northern pedestrian route to the CN Tower; however, full accessibility could be maintained on the main, more southerly, route.

Operating Implications

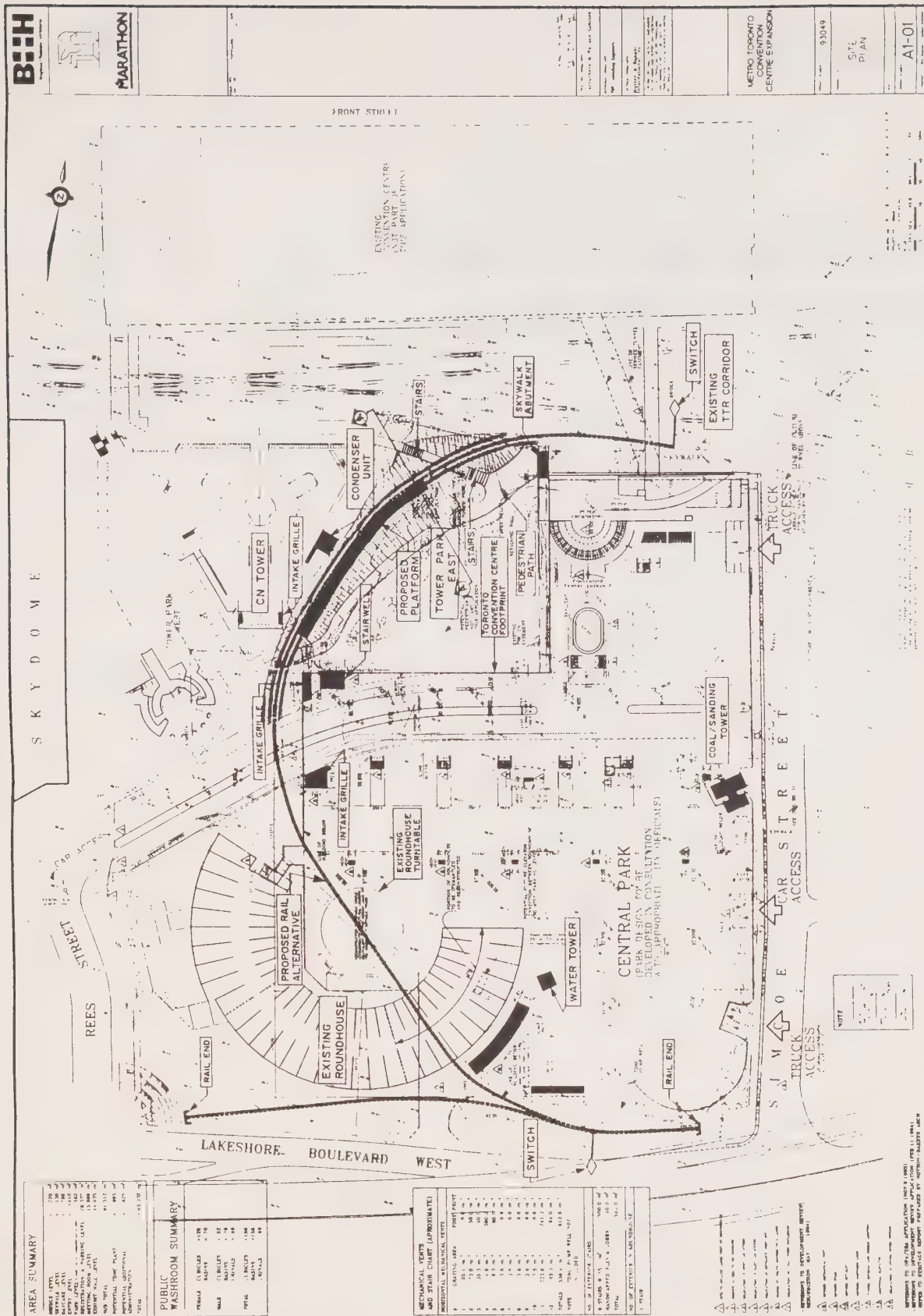
If steam excursion trains were operated out of the Roundhouse, they would face some restrictions caused by the limited space. Because trains could not be permitted to block Bremner Boulevard, the platforms and station would be located in Tower Park East and would be able to accommodate only a three-coach formation. The relatively low passenger volumes that could be carried would result in an operating loss.

CN Rail expressed serious concerns about the operation of excursion trains from the Roundhouse because there would be a potential conflict with other traffic on the busy freight line to which the spur would be connected; the company has suggested it would be more appropriate to operate excursion trains from other locations (i.e., Union Station or a location east of it).

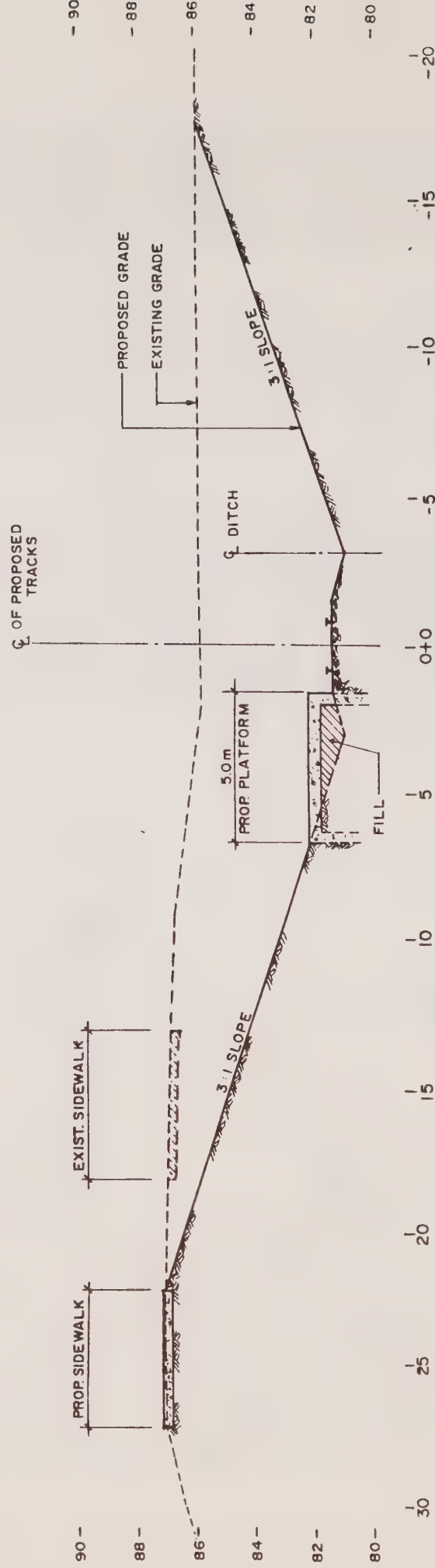
Costs

The cost of the civil works associated with building a spur line from the turntable to the main rail corridor has been estimated at \$1.2 million; this includes \$700,000 for actual construction and \$500,000 for changes to the Park and pedestrian paths, for a station and landscaping.

This does not include property costs, mitigative measures for air quality at intake grills, structural modifications at the Convention Centre, or engineering/legal fees.



JOHN STREET ROUNDHOUSE RAIL ALTERNATIVE



DATE
DECEMBER, 1994

SCALE
NOT TO SCALE

DRAWING TITLE:

JOHN STREET ROUNDHOUSE
TYPICAL CROSS SECTION



Cansult

Appendix 12

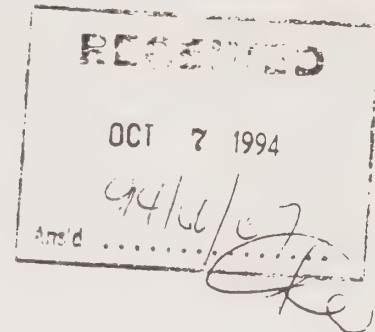
Letter from James E. Lanigan to the Hon. David Crombie

CANADIAN COUNCIL FOR RAILWAY HERITAGE

c/o 2120 Southland Drive S.W., Suite #4104
Calgary, Alberta T2V 4W3
(403) 281-4584

October 3, 1994

The Hon. David Crombie, Chairman
Royal Commission on the Future
of Toronto's Waterfront
207 Queen's Quay, 5th Floor
P.O. Box #4111, Station "Q"
Toronto, Ontario
M5W 2V4



Dear Mr. Crombie:

Re: Heritage Interpretation - Re-Development of Toronto's Railway Lands East Area

Through its seventeen Institutional Members, the Canadian Council for Railway Heritage endeavours to increase the professional credibility and further the collective objectives of railway heritage organizations in Canada by improved communication and mutual cooperation. At its Annual General Meeting, held at the Revelstoke (B.C.) Railway Museum on May 7th 1994, there was extensive discussion regarding an alternative to the John Street Roundhouse Proposal for the historical interpretation of Toronto's Railway Lands. Although we are aware that on June 1st 1994 the Ontario Ministry of Municipal issued a Memorandum of Agreement regarding establishment of an "operating rail heritage museum" in the John Street Roundhouse Complex, we believe that our suggestion can still be complementary to any development undertaken on the roundhouse site itself.

The amended Conceptual Outline approved by General Resolution (appropriately edited) follows for your reference and review by your Task Force:

Introduction

As a result of recent expansion plans for Toronto's Convention Centre, it appears improbable that the suggestion will proceed of Toronto's historic CPR John Street Roundhouse being converted to a railway equipment museum or interpretive centre. An alternative is proposed for an interpretive theme throughout the re-development of the Railway Lands East, to pay homage to the area's distinctive railway & marine transportation and commercial & industrial heritage.

Proposal

Integral to re-development of the Railway Lands East is a proposal for a Central Park, which would contain a series of pedestrian walkways connecting various attractions within the Convention Centre and Central Park areas. It is proposed that Central Park itself, particularly if all or part could be developed as an enclosed all-weather complex, could contain a series of:

- 1) displays of representative railway equipment,
- 2) three-dimensional model dioramas (enclosed in plexiglass cases), and
- 3) photographic image mini-murals and collages

depicting various periods and interpreting respective uses during the area's historic evolution or development.

In effect, Central Park would become a Heritage Interpretation Centre. The various displays would be strategically placed adjacent to or in the midst of the Park's pedestrian walkways and relaxation areas. Viewing would involve either passive participation in passing or a deliberate walking tour to specifically examine the Park's displays and attractions.

Equipment Collection Policy

The Proposal's Collection Policy would be to acquire, present and interpret a small collection of locomotives indigenous to the Toronto Railway Lands (particularly the CPR John Street & CNR Spadina Avenue Roundhouses and environs) specifically and railway operations in the Toronto area generally. The locomotives, which would be "mirror image" positioned to compare and contrast steam and diesel-electric counterparts, could serve as "sentinels" at major entrances to Central Park. Other examples of representative railway equipment (railway post office car; sleeping, dining and parlour cars, etc.) could similarly be strategically placed throughout Central Park to provide period ambience and interpretation of the Railway Lands' former use or functions. The suggested development would be unique on the North American continent.

Locomotive Collection Plan

Crucial to this Proposal is the fact that several typical or representative locomotives unique or assigned to Toronto have been preserved or are otherwise extant, and presumably could be available for the suggested project. These locomotives are:

Passenger	- Steam	:	CNR U2g 4-8-4 #6213 (MLW,1942)	(1)
	- Diesel	:	CNR Alco FPA-4 and FPB-4 set	(2)
Transfer	- Steam	:	CNR T2a 2-10-2 #4100 (CLC,1924)	(3)
	- Diesel	:	CPR Alco RSD-17 #8921 (MLW,1957)	(4)
Switcher	- Steam	:	CPR U3e 0-6-0 #6271 (Angus,1913)	(5)
	- Diesel	:	CPR Alco S2 #7020 (Schenectady,1944)	(6)

(1) Preserved at CNE Park, Toronto

(2) Although surplus and threatened with imminent scrapping, potentially three matched sets are still available from VIA Rail Canada, as follows:

Mr. Raymond Charland, Equipment Marketing
 CANAC North American Services
 1100 University Street, 5th Floor
 Montreal, Quebec H3B 3A5
 Tel. : (514) 399-8410
 Fax : (514) 399-3967

- (3) Preserved at Canadian Railway Museum, Montreal
- (4) In CP Rail service, Montreal. To reserve for preservation upon retirement, contact:

Mr. Kenneth B. Annable, Manager
Materials (Assets Disposal)
CP Rail System
Room 23B, Windsor Station
P.O. Box #6042, Station "A"
Montreal, Quebec H3C 3A4
Tel. : (514) 395-7221
Fax : (514) 395-8480

- (5) Preserved at Canadian Railway Museum, Montreal
- (6) Preserved in John Street Roundhouse, Toronto

Complementary Development/Attractions

The environs of Toronto's Railway Lands are also important from the perspective of marine transportation and commercial & industrial heritage. Given the close proximity to (originally adjacent) and dynamics of their historical relationship, the Railway Lands should not be interpreted in isolation from the Lake Ontario waterfront and harbour.

Interpretation of the area's marine and industrial history would probably also be most effectively achieved through model dioramas and photographic collages. It might be reasonable, however, to consider re-location of the Marine Museum from CNE Park to the Railway Lands to depict marine transportation and the Toronto Harbour's historic role and relationship to railway operations. Indeed, the steam tugboat "Ned Hanlan" might similarly be exhibited as a "sentinel" or landmark within the marine section of the Central Park complex! (The historic military barracks which currently houses the Marine Museum at CNE Park could perhaps then be more appropriately used, for example, as a CNE Museum & Archives facility, etc.)

Reference Materials

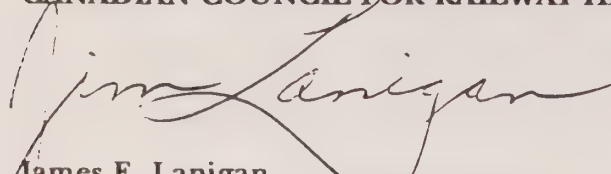
Appended are two artist's renderings which illustrate the concepts of 1) the "mirror imaged" switcher locomotives serving as entrance "sentinels" and 2) historical interpretation through three-dimensional model dioramas and photographic murals within the Central Park area. (The sketches were prepared by Mr. Thom Nelson of Calgary.) In addition, I have enclosed a copy of John Riddell's monograph The Railways of Toronto (with two photocopied excerpts from his forthcoming Volume 2) to provide a sample of the excellent historical photographs available depicting various periods of the Railway Lands' history. I believe that you and your colleagues will find these reference materials to be interesting and that they will assist your review and consideration of this Proposal.

Should you wish to discuss either this letter's content or the Proposal generally, please do not hesitate to contact the writer at (403) 281-4584 (home), 291-0053 (office) or 250-8099 (fax).

Thank you for your consideration.

Yours very truly,

CANADIAN COUNCIL FOR RAILWAY HERITAGE

A handwritten signature in dark ink, appearing to read "Jim Lanigan", written over a horizontal line.

James E. Lanigan
Chairman

JEL:clk

Enclosures

*Mr. Lanigan:
This may be of interest.*

JAMES E. LANIGAN
Calgary, Alberta

A member of a three-generation Canadian Pacific Railway family, Mr. Lanigan has been active in the Canadian railway history and preservation movement since the age of eight. Indeed, he is fond of saying that "hoggers' sons are born with steam in their hearts and coal dust in their blood!". (To the uninitiated, the term "hogger" or "hoghead" is slang for "locomotive engineer".)

In 1954, based on a Regina Leader-Post article, he wrote a letter of encouragement and support to the Moose Jaw City Council, which was advocating the preservation of a CPR steam locomotive. (That objective was realized eleven years later with the City's acquisition of G2u 4-6-2 #2634.) In the summer of 1955 he similarly, but unsuccessfully, attempted to encourage the preservation of a streetcar in Winnipeg. At the age of twelve, however, he acquired his own Regina streetcar for a proposed preservation project in 1959-60. Although the latter initiative resulted in failure, a minor role in the 1960 retention of CNR J4c 4-6-2 steam locomotive #5093 for eventual (1963) display in Regina tempered the earlier disappointment.

The summer of 1965 marked a turning point in his efforts, however, when he was instrumental in ensuring the future preservation of three former CPR steam locomotives (M4g 2-8-0 #3522, U3c 0-6-0 #6166 and V4a 0-8-0 #6947), and was personally responsible for the preservation of CPR K1a 4-8-4 #3101 at IPSCO Inc. in Regina. Several other CPR steam locomotive preservations were proposed, but all either met strong resistance or were otherwise unsuccessful.

Mr. Lanigan's preservation interests were rekindled in the early 1980's with the rapid demise of the remaining first generation diesel-electric locomotives. His subsequent efforts led to the 1985 preservation of Calgary's first diesel locomotive, CPR DS-10b #7019, together with contemporary 1940's CPR caboose #437358 at the entrance to Calgary's Heritage Park. The project was particularly significant as it "pioneered" the application of modern technology and materials to the restoration and preservation of railway equipment displayed outdoors. It was also notable for the integrity of its research, attention to accurate historical details, and calibre of workmanship and presentation. Mr. Lanigan's achievement resulted in his receipt of the Canadian Railroad Historical Association's first national "Award of Merit - Preservation" in 1987.

He remains active in the movement as a member of the Heritage Park Society's Transportation Committee (responsible for the Park's steam railway and electric streetcar operations), as President of the Locomotive & Railway Historical Society of Western Canada (serves in an advisory capacity or support role to preservation and/or restoration projects in Calgary, High River and Cranbrook) and as founding Chairman of the Canadian Council for Railway Heritage (to increase the professional credibility and further the collective objectives of railway heritage and preservation in Canada). An individual of eclectic pursuits and tastes, his other personal interests include, but are not limited to, the social, economic and political history of Western Canada; early Western Canadian art and artists; historic transportation vehicles and industrial equipment; and the history and enjoyment of various popular musical forms.

As an Appendix to the foregoing, an outline follows of Mr. Lanigan's personal qualifications and professional experience.

Appendix 13

Summary of Cost Elements in Investment Levels III, IV, and V

SUMMARY OF ELEMENTS OF COST FOR THREE MUSEUM INVESTMENT LEVELS

LEVEL III — A MODEST HERITAGE CENTRE

Building Restoration	-	33,000 square feet fully restored (27,000 sq.ft. @ \$100/sq.ft. + 6,000 sq.ft. @ \$200/sq.ft.)	3,900,000
	-	66,000 sq.ft. for basic museum use	600,000
Interpretive Exhibits	-	(5,000 sq.ft. @ \$500/sq.ft)	2,500,000
Theatre (200 seats)	-	(including film production)	250,000
Model Trains			800,000
Engines and Rolling Stock			2,000,000
Food Services			100,000
Retail			100,000
Turntable			500,000
Access Spur Line	-	(including track and grading)	1,000,000
Cabin 'D' and other small building interiors			100,000
Siding	-	roof strengthening only	500,000
<hr/>			
Total			12,350,000
Contingency (10%)			1,235,000
<hr/>			
Total			13,585,000
Park Construction (including design and contingency)			3,300,000
<hr/>			
Total additional costs for this level			16,885,000
Add cost from Level II			5,000,000
<hr/>			

TOTAL **21,885,000**

Note: Of this cost, only the food service and retail areas could be considered areas where private firms might assume the capital cost — in total, \$200,000.

LEVEL IV — ENHANCED

Building Restoration	1,300,000
Engines and Rolling Stock	2,000,000
Restaurant and Catering Services	1,000,000
Retail	100,000
Visitor Centre	3,000,000
Siding - completion of line, incl. mechanical	1,000,000
Machine Room - operating restoration area	1,000,000

Total	9,400,000
Contingency (10%)	940,000

Total	10,340,000
Rides and other attractions	1,750,000
Park improvements	1,500,000

Total additional costs for this level	13,590,000
Add costs up to Level III	21,885,000

TOTAL **35,475,000**

Note: Of the above, food, retail and rides and other attractions could be areas where private investors would supply the capital — a total of \$2,850,000. In addition, it might be assumed that two-thirds of the cost of the Visitor Centre would come from other tourism promotion sources (\$2 million). So, other funding sources could reduce the total capital requirement by about \$5 million.

LEVEL V — ULTIMATE

Building Restoration	2,000,000
Engines and Rolling Stock	2,000,000
Food fixtures	200,000
Retail	400,000
All-weather connection from CN Tower	1,000,000
Bridge to Harbourfront	1,500,000

Total	7,100,000
Contingency (10%)	710,000

Total	7,810,000
Attractions in the Roundhouse	4,500,000
Park attractions, rides	1,800,000
Ice Track in Park	1,000,000

Total additional costs for this level	15,110,000
Add costs up to Level IV	35,475,000

TOTAL	50,585,000
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Note: Of the costs in this phase, food, retail and some attractions could be elements covered by private capital investment, with a total of about \$3 million. This brings the aggregate total of possible private and other capital investment to about \$8 million.

Appendix 14

**Towards A Business Plan: Ronald M.
Anson-Cartwright, FCA, FCBV**

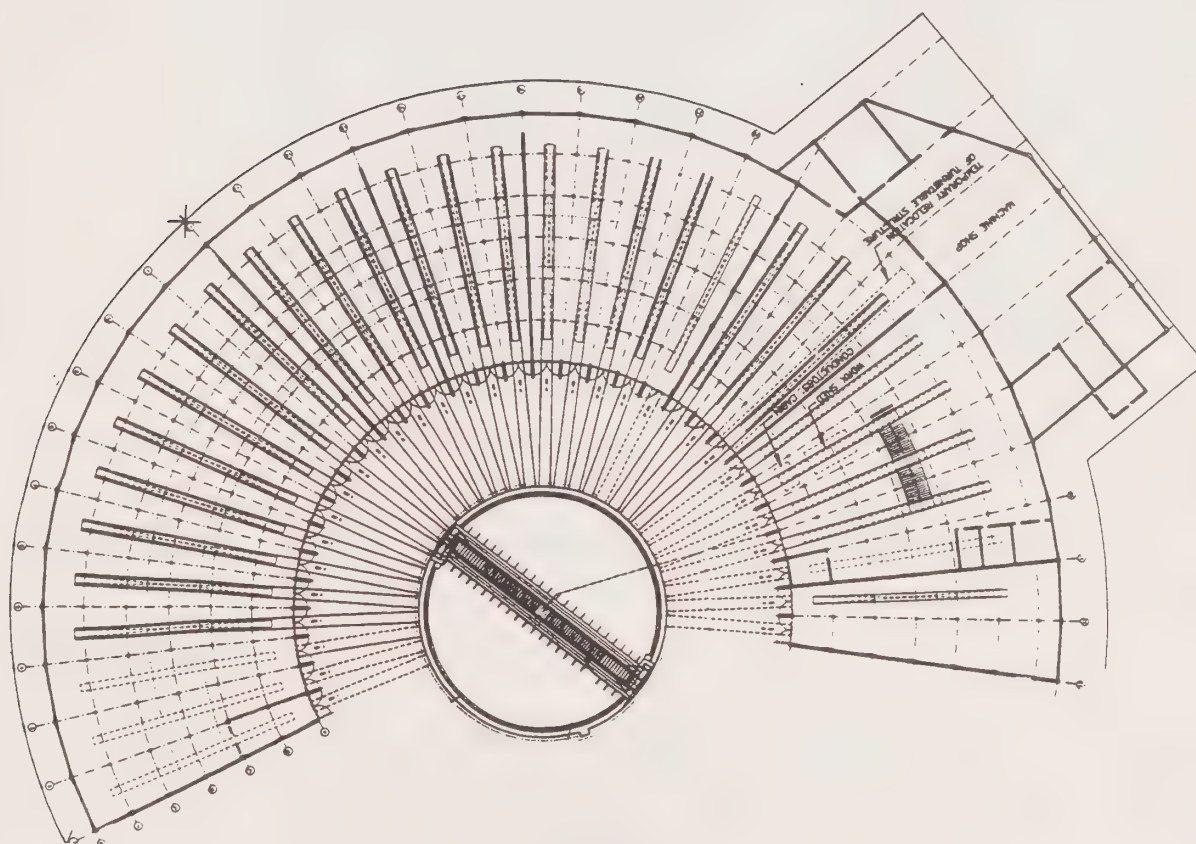
JOHN STREET ROUNDHOUSE

TOWARDS A BUSINESS PLAN

A REALISTIC WAY FORWARD

SETTING PRIORITIES

REPORT



prepared by

RONALD M. ANSON-CARTWRIGHT, FCA, FCBV
Sloane Estates Inc.

December, 1994

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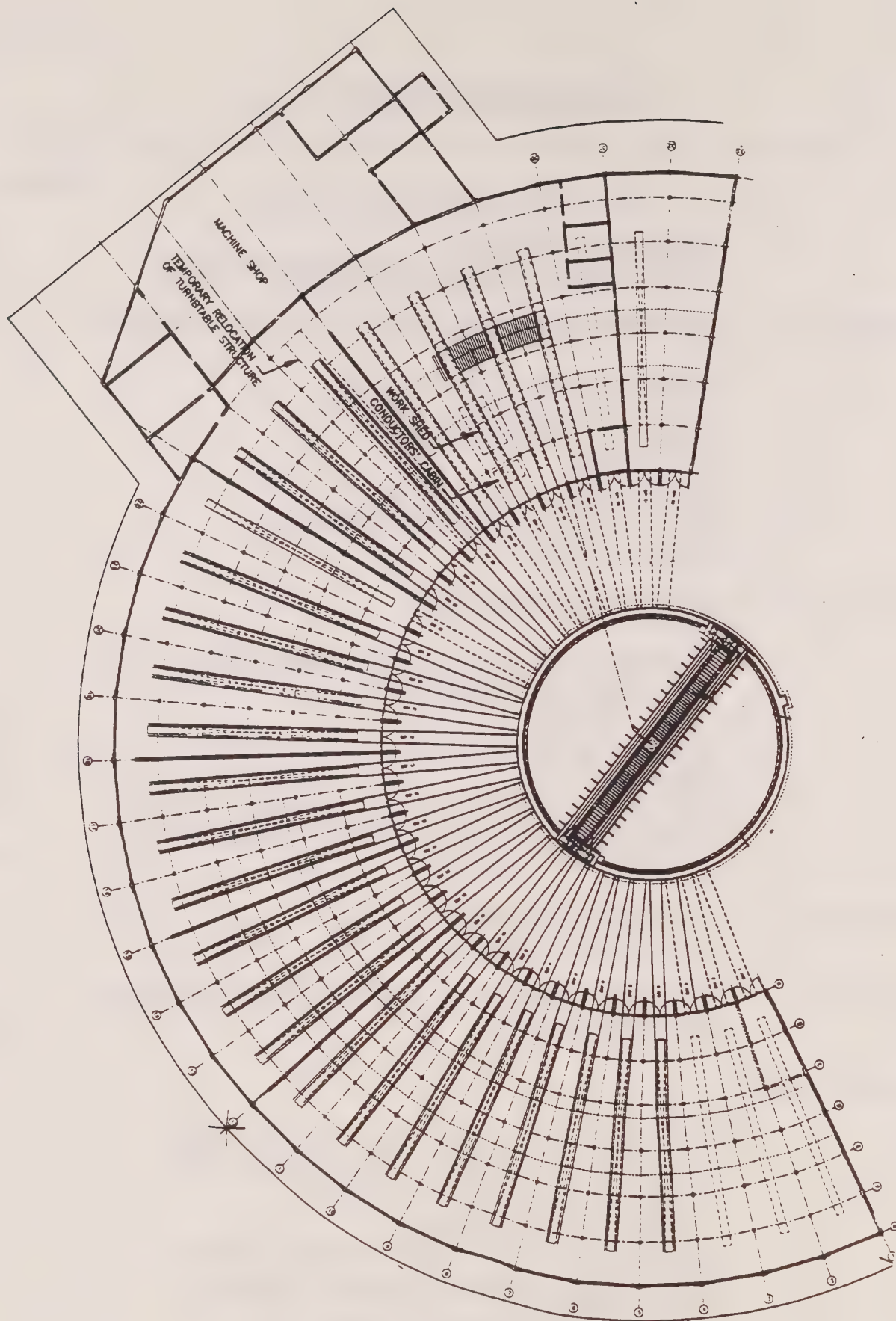
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EXECUTIVE SUMMARY

The Task Force of the John Street Roundhouse ("The Roundhouse"), through the Waterfront Regeneration Trust, engaged us to ensure that its programs and plans take market and financial realities into account, but at the same time are balanced with the concerns for and needs of preserving this historic landmark. In short, we were asked to assist the Task Force in developing a business plan for the operating rail heritage museum and park surrounding The Roundhouse and to determine its financial feasibility.

Through participation in a series of twelve meetings with Task Force members; site visits; a tour of Steamtown in Scranton, Pennsylvania; meetings with executives of the railways and of neighbouring facilities, including the Metro Toronto Convention Centre, CN Tower, Marathon Realty; meetings with officials in various levels of government; meetings with potential sponsors and sponsors of festival events; we developed this report and its series of recommendations. Our task has been to focus particularly on the capital cost plan and funding options and on an operating plan that would ensure self-sufficiency, coupled with advice regarding appropriate and necessary ancillary attractions and marketing initiatives to accomplish self-sufficiency.

Capital cost plans are included in Appendix 9 to the Task Force report dated December 9, 1994; this report provides a number of comments on the three levels of investment shown, bearing in mind the current reality of funding opportunities.

Preliminary discussions with Federal and Provincial government officials, executives of neighbouring facilities, potential sponsors and investors, and other interested parties were conducted by us (a list of those parties interviewed is attached as Appendix 4).

In Section 3, we have set out our comments on funding options, recognizing that the capital cost plan must be tailored to the capital funding which could be reasonably obtainable from all sources cited.

Further research needs to be undertaken once the concept for both The Roundhouse building, a heritage 'industrial cathedral', and the surrounding Park is finally defined. At that time, a comprehensive business plan should be developed, the key components of which are highlighted in Section 4. It should be recognized that, while ancillary

attractions are considered necessary to make the project self-sustaining, the core element from which the business plan evolves is the operating rail heritage museum.

The thrust of our report is that The Roundhouse project needs to be developed in three stages, based upon well-defined business plans; however, if

- (a) capital costs as well as ancillary demand generating attractions are prioritized,**
- (b) the heritage engines and rolling stock are properly selected and displayed,**
- (c) the project in the transitional period and beyond is professionally managed and marketed,**

then the likelihood for success in this particular strategic 'Tourism Zone' location is *favourable*.

It is recognized that, in the current difficult economic climate, a number of priorities need to be set in creating a realistic way forward. Furthermore, capital cost estimates and operating cost projections need to be further refined.

In view of its strategic location in the core of downtown Toronto and its neighbouring tourism attractions, including the CN Tower, Metro Toronto Convention Centre, Skydome and Harbourfront, it makes better business sense to fund and develop The Roundhouse and Park by planned phases with staged improvement in market and financial performance, rather than to spend approximately \$5 million merely to secure the facility and leave it in a 'mothball' state subject to ongoing operating and maintenance costs.

CONCLUSIONS AND KEY RECOMMENDATIONS

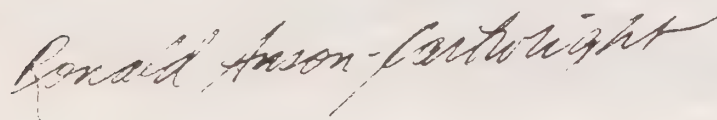
1. The current arrangements for The Roundhouse and Park with the Metro Toronto Convention Centre, Marathon Realty and others provide for exterior restoration of The Roundhouse; however, without additional capital commitments, this historic building will still not be usable by the public.

2. In our view, the "do nothing" option will be more expensive in the longer term, since without further restoration and revenue enhancing and operating cost reduction measures, these assets which the City has obtained will deteriorate.
3. With sufficient starting investment, the prioritizing of capital costs and demand generating attractions, proper selection, display and interpretation of locomotives, rolling stock and artifacts and aggressive management and marketing expertise, the prospects for attaining a self-sustaining project over the long term, at this particular site with its tourist attracting neighbours, are promising.
4. We recommend that an amalgam of all sources of potential funding for The Roundhouse complex as set out in Section 3 of this report be vigorously pursued. In particular, in order to achieve the start-up phase of this project contemporaneously with the opening of the Convention Centre in mid-1997, we suggest that as a time priority the City expand its existing application for The Roundhouse and Park under the Canada Ontario Infrastructure Works program.

Our further business recommendations have been highlighted in this report; priorities include:

- requests for proposals from private sector firms for compatible, educational, commercial tourism attractions and for restaurants and food catering;
- not only a master business plan for the long term project, but also a series of business plans for
 - (a) the start-up or birth phase;
 - (b) the break-even or adolescent stage; and,
 - (c) if appropriate, the vision, or mature concept.

Respectfully submitted,



December 9, 1994



SECTION 1:

DEFINING THE ELEMENTS OF THE BUSINESS PLAN

Closing the Gap to Self-Sufficiency -

Concepts and Operating Costs

The report of the John Street Roundhouse Feasibility Analysis (October 28, 1994) prepared by the Economic Planning Group of Canada ("EPG") considered three Phases of The Roundhouse, focusing on their demand generating elements that will attract paying visitors.

These Phases and their attributes were as follows:

<u>Attraction Elements</u>	<u>Total Space Requirement (sq.ft.)</u>	<u>Annual Attendance (based on penetration rates & synergies)</u>	<u>Estimated Annual Net Operating (Cost)/ Profit (\$million)</u>
Phase I - Task Force's (Minimum) Concept			
◦ 5,000 sq.ft. static exhibits to interpret railroad in steam era			
◦ 4-6 pieces refurbished rail rolling stock			
◦ other rolling stock plus 2 engines on display in Roundhouse	34,152	451,838	(1.2)
◦ a working model railroad system based on Roundhouse operations in the steam era			
◦ 200-seat orientation and film theatre			
◦ range of artifacts related to Roundhouse and steam era			
◦ 2 refurbished and operational steam engines on display			
◦ operational turntable			

<u>Attraction Elements</u>	<u>Total Space Requirement (sq.ft.)</u>	<u>Annual Attendance (based on penetration rates & synergies)</u>	<u>Estimated Annual Net Operating (Cost)/ Profit (\$million)</u>
Phase II - Revenue Producing Enhancements			
◦ enhancements (almost all private sector investments)	44,656	550,503	(0.6)
◦ upscale restaurant and bar facility from rail dining cars (private sector)			
◦ functions catering program involving percentage of sales and base rent per function (private sector)			
◦ possible purchase of tables and chairs to generate rental income			
◦ computer video games - interactive, railway based			
◦ living history elements			
◦ special event programming			
◦ additional rolling stock/capital budget			
◦ scale model steam train ride in the park		to be ascertained - break-even	break-even point
◦ steam driven carousel or similar ride			
◦ additional ride elements			
Phase III - Vision Concept			
Further enhancements			
◦ recreation of an actual railroad control centre			
◦ Train Scope simulation ride with video monitors			
◦ high-tech interactive exhibits - 5,000 sq.ft.			
◦ theme mini rides and additional complementary ride style attractions			
◦ 3 to 5 shops in theme area	76,399	855,826	0.6

Sensitivities of Operating Costs

The EPG report alluded to a **number of sensitivities**, focusing on revenues and net operating costs or profit, which **should now be incorporated into a more definitive business plan**:

- "more refined projections for the project should be developed after the final concept and initial design work have been completed";
- "management will be professional and will focus on maximizing attendance and income and will work toward clearly defined financial objectives";
- in the interests of conservatism, the direct impact of Skydome, Convention Centre, CN Tower on The Roundhouse attendance was not assessed;
- through co-operative programming and marketing initiatives, penetration rates used for the Skydome, Convention Centre and, especially, CN Tower markets were said to be capable of further enhancement over the estimates provided;
- in our view, net admission revenue of \$2.00 in the concept level requiring an adult admission price of \$3.00 to \$3.50 (after discounting for children, seniors and groups) might be increased somewhat as might the visitor length of stay;
- based upon the success in attracting volunteers at other railroad heritage facilities, EPG provided a credit allowance of \$150,000 against the labour cost estimate in order to account for the value of volunteer assistance. (A recent brief of the Canadian Museums Association to the House of Commons Standing Committee on Finance indicates that CMA members have increased reliance on volunteers whose ranks have more than doubled in the past decade.)
- in estimating annual net operating costs, EPG excluded sponsorship and membership income presumably on the basis that these sources of income to defray operating costs were not readily quantifiable. **(A serious attempt should now be made to estimate these revenue sources of sponsorship and membership.)**

Annual **overhead** expenses (excluding direct labour and supplies) in the EPG analysis

ranged from \$1.9 million to \$2.4 million to \$3.1 million for Phases I - Concept, II - Enhanced and III - Vision, respectively. It is conceivable that there could be some synergistic savings in these fixed costs if, for example, while still maintaining and managing this heritage centre to accepted provincial conservation standards, part of The Roundhouse building and some or all of the tourist attractions were operated by a neighbour such as CN Tower or the Convention Centre or by a third-party operator specializing in the tourist attraction business.

In addition to mitigating overhead expenses, with effort, it would be quite feasible, in our view, to develop additional revenue sources that would reduce operating costs to a break-even or near break-even. In order to do this, one would plan to have one or two festival-type events annually at The Roundhouse Park.

Capital Costs

Turning now from operations and net operating costs or profit, Appendix 9 of the Report of the Roundhouse Task Force sets out the elements of **capital cost** for three investment levels:

	<u>Concept and Investment Level</u>	<u>Capital Costs</u>
1.	A Modest Heritage Centre	\$21,885,000
	(targeted self-sufficiency ----- \$25,000,000)	
2.	Enhanced	\$35,475,000
3.	Ultimate	\$50,585,000

These investment levels correspond more or less to Phases I - Concept, II - Revenue-producing enhancements and III - Vision in the EPG report.

Observations on Capital Costs

In the Task Force Report Enhanced investment level (and not in the similar EPG model), it is contemplated that there would be a Visitors Centre at a cost of, say, \$3 million, of which it is assumed two-thirds of the cost would come from other tourism promotion sources.

An analysis should be carried out to determine whether The Roundhouse is the strategic location for the Visitors Centre and whether the latter would increase visitor traffic at The Roundhouse.

It should be emphasized that in the Task Force Report's capital cost models:

- a significant amount of such costs might be borne by the commercial private sector, while meeting accepted museological standards so that eligibility for future funding from government programs would not be limited;
- interpretive exhibits (costing approximately \$500/sq.ft.) might be sponsored by private-sector firms currently in the railway transportation industry, including Canadian Pacific, Canadian National, GO Transit, VIA, etc., or in a broad range of industries connected with transportation, telecommunications, etc.;
- model train exhibits might be contributed in part by model train and railway heritage enthusiasts;
- the 200-seat theatre including film production might be leased and operated by a commercial venture;
- food services, retail and train or other rides would be likely activities where private investors would supply the capital based on their own business plans.

The Roundhouse building restoration costs included in the three investment levels of the Task Force Report are:

Investment Level		Square Feet		Cost
		Restored	To Building Code Only	
1	Modest heritage centre	27,000	@ \$100/sq.ft.	\$2,700,000
		6,000	@ \$200/sq.ft.	1,200,000
			<u>66,000</u>	<u>600,000</u>
		<u>33,000</u>	<u>66,000</u>	<u>4,500,000</u>
2	Enhanced	11,600	54,400	1,300,000
3	Ultimate	<u>31,800</u>	<u>22,600</u>	<u>2,000,000</u>
Total Building Restoration Cost		<u>76,400</u>	<u>22,600</u>	<u>\$7,800,000</u>

Based on our review of these construction costs (exclusive of land) with a construction industry estimator, we believe that at a current date these restoration costs for such an industrial building potentially could be reduced by construction management or other means.

In the alternative, with the appropriate ground or other lease arrangements, in our opinion, a portion of these building costs could be borne by retailers and other commercial private sector investors as part of tenant improvement agreements.

In developing the Business Plan(s), it should be recognized by Toronto City Council that such a facility and park, under normal conditions, would not produce a profit or even a break-even. Put in another way, as the Waterfront Regeneration Trust report has shown in another context, such a heritage building and park should be for the benefit of the community at large, including residents of the Province and, so long as the cost of maintenance is not unreasonable and there will be a user fee for certain aspects of the facility, then the project should be justifiable in its own right. However, the purposes of the Business Plan should be to determine at what levels of investment the project will reach a break-even position and then become profitable.

Based on our interviews with public sector funding sources and potential private sector investors, the following is our suggestion for a dynamic, phased Business Plan for The Roundhouse.

Business Plans for Phasing the Project to Achieve a Start-Up

The Business Plan(s) should be so conceived that there would be two or three phases. The first phase would be the **birth** or start-up; its justifications would be:

Phase I

- 1, There needs to be an improvement over the existing untenable, deadweight state, in order to avoid further deterioration of the heritage Roundhouse building. This includes costs of attendant security, maintenance, regular professional building inspection to monitor its condition, safety inspection and precautions (e.g., the building has no fire alarm system), etc.;
2. With additional capital over that already allocated or applied for (about \$10 million), annual costs of operation can be reduced;
3. Thereafter, there would be a gradual phasing-in such that, if properly planned for programmable use, The Roundhouse and Park will eventually become self-sustaining.

Using existing preliminary data, the first phase would have a total capital cost of about \$25 million, i.e., \$15 million more than is already available to or in the process of being applied for by the City. That additional \$15 million needs to be unbundled and parcelled out among the Canada Ontario Infrastructure Works (COIW) program, additional federal government infrastructure support, possible provincial support for The Roundhouse building alone under the jobs Ontario Community Action program, private sector commercial involvement, sponsorship, donations in kind of equipment, artifacts, etc. by the railway companies, donations by the public in general and by the heritage community and memberships in the heritage centre/museum per se. At about \$25 million, the Roundhouse and the Park would at least be able to start functioning at the time of the Convention Centre opening in 1997 or shortly thereafter.

Like Steamtown in Scranton, Pennsylvania, the motto of The Roundhouse would be something like "Watch Us Grow". That is to say, there would be a short term, a medium term and a long term Business Plan with the ultimate objective of achieving a profitable tourism attraction. This growth phasing could have the benefit of repeat attendance by visitors in the evolution of the facilities and attractions.

Phase II

The second phase of the Business Plan might be called the **adolescent** stage, and would be comparable to Enhanced investment level (Appendix 9 to the Task Force report); however, it might be possible to have additional revenue sources that would reduce annual operating costs at that level (estimated at about \$600,000 in the EPG report) to a break-even or near break-even.

In order to do this, one could stage one or two festival-type events annually at The Roundhouse Park which would generate significant income, such as "Taste of Toronto" (akin to the Taste of Chicago event which generates significant income for that city) and a "Train Fair" or other similar event. Currently, the Provincial government (Ministry of Economic Development and Trade ("MEDT")) is exploring the economic impact (financial and cultural benefits) of festivals in Metro Toronto.

Phase III

The third phase of the Business Plan would be the **mature** stage, which would be akin to the Ultimate investment level in the Task Force report and the Vision Concept in the EPG report. It would generate a profit not only from commercial activities but also from sponsorships and the one-off events mentioned above for the second phase.

In adding to each phase, it would be important to seek advice as to what the additional revenue might be, from any incremental capital expenditure. For example, what incremental capital project, i.e., restaurants or a miniature train ride, adds relatively more to revenues and operating cost reduction to assist in funding the museum and heritage interpretation aspects of the project.

In this third phase, there may be some concern that, in view of the tight site (only 15 acres), some of the revenue sources such as a miniature train ride or other activities in the Park might either detract aesthetically from the entire facility or would not be able to

fit physically into the project.

It is therefore recommended that, in any Business Plan, there should be a clear relationship between

- (a) the physical attributes and architectural significance of the heritage building - park,**
and
- (b) capital costs and revenue generation potential.**



SECTION 2:

SOME PRIORITY ISSUES

During the course of the Task Force's deliberations, the following topics seemed to us to be issues warranting prioritization:

- **Legal Considerations Affecting Funding, Donations and Sponsorship; Board of Directors**

The City of Toronto owns both The Roundhouse building and the lands (approximately 15 acres) on which the Park is to be developed.

In the process of developing a viable Business Plan to raise funds for the capital costs of such a project, it may be prudent to consider a number of legal structures and agreements, including:

- formation of a not-for-profit organization, in particular, one with "an agent of the Crown" status so that donations qualify for a 100% tax credit on taxable income of the donor to assist donor-supporters in making tax deductible gifts in cash or kind¹;
- possible ground lease or other lease of a portion of The Roundhouse building and Park lands for attractions and commercial activities;
- joint venture or partnership agreements with neighbours or other private sector investors;
- sponsorship agreements for exhibits, etc. (see Appendix 2);

¹We understand that charitable donations to the City of Toronto are treated as gifts to a municipality under paragraph 110.1(1)(a)(iv) and for tax credit purposes under paragraph 118.1(1)(d) of the Income Tax Act. The effect of these provisions is that a donor to the City for The Roundhouse would be limited to a tax credit at his top marginal rate based upon a maximum creditable amount in the year of 20% of net income.

- contracts and agreements with commercial entities relating to rides, tourism attractions, festival events, etc.;
- membership structure for The Roundhouse heritage centre/museum;
- creation of a "Friends of the Roundhouse" charitable organization for donations by the railway and heritage communities.

Also, to assist in contributing to the project's long term success, one might consider forming a prestigious Board of Directors representing a broad spectrum of constituencies (not unlike those of the Task Force itself).

• Access Spurline

There has been much discussion in the Task Force meetings about the access spurline including track and grading, roof strengthening re Bays 8 and 9 and ultimate completion of the line, including mechanical.

The breakdown of the estimated cost of the spurline is:

	<u>% of Total Capital Cost</u>	<u>Spurline Capital Cost</u>
<u>Modest Heritage Centre</u>		
Access spurline, including rail and civil works, track and grading to the turntable only per estimate of Cansult Group Limited		\$1,200,000
Roof strengthening only of Bays 8 and 9, and tracks to rear of building		<u>500,000</u>
	<u>7.76%</u>	\$1,700,000
<u>Enhanced</u>		
Completion of siding line, including mechanical		<u>1,000,000</u>
	<u>7.61%</u>	<u>\$2,700,000</u>

The spurline at both the above levels of investment represents about 7.7% of the total capital cost of each level.

In recognition of the difficulties in obtaining public sector and other funding in these times, it is suggested that the spurline issue be further carefully examined. For example, is the spurline necessary to transport engines and rolling stock to the site? Does it add to the value of the project? Can equipment realistically be transported to The Roundhouse in some other manner? Even if this is so, what are the relative operating costs (as opposed to capital costs) of this solution? Finally, do all of the spurline capital costs (\$2.5 million) need to be expended, or would it be feasible to build the spurline to the turntable only at less than half of the total cost?

If it is determined that the spurline is a priority for the success of the project, then given that the excavation for the Convention Centre is already underway, logistics dictate that it be funded and constructed in the very early stage of development.

- **Engines and Rolling Stock**

In the Task Force's Summary of Elements of Cost, capital of \$2,000,000 for engines and rolling stock was budgeted for each of the three museum investment levels for a total of \$6,000,000.

Attached to this report (Appendix 1) is a listing, compiled by J. Christopher Kyle, of locomotives and rolling stock (29 pieces of equipment) currently at the John Street location and potentially available for acquisition by loan, gift, purchase, etc.

Locomotives and rolling stock per se, if properly and discreetly selected and refurbished, should prove to be an outstanding drawing card as an attraction to The Roundhouse. **However, a collection assessment and evaluation report needs to be conducted as to which and how many pieces of the most unique, prestigious and representative equipment will fit into both The Roundhouse building and the Park in concert with other demand generating elements of the project. The study also should include a re-evaluation of the**

capital costs required to acquire and refurbish specific engines and other rolling stock, our preliminary assessment being that, in view of the opportunities for loans, exchanges, donations, etc., the preliminary budget for such equipment might be varied. The study should also put into place a collection and acquisition policy for the site which policy would:

- (a) ensure and guide a strong collection;
- (b) restrict the potentiality of unwarranted future costs of maintenance of rolling stock, etc.; and
- (c) avoid future de-accession of redundant or irrelevant artifacts.

Offsite storage location (possibly the Don Yard) and the annual cost thereof also needs to be determined for operations and the operating budget.

• Restaurants

The EPG report referred to food service facilities to cater to the anticipated number of visitors to The Roundhouse as follows:

		<u>Space Sq.Ft.</u>	<u>Food & Beverage Income*</u>	<u>Cost</u>	<u>Type</u>
1	Task Force Concept	749	\$411,737	N/A	Modest
2	Enhanced	rail dining cars to seat 200 persons located beside Roundhouse	2,000,000	\$900,000	Upscale restaurant and bar facility
			875,000	100,000	Function catering program
		1,329	730,820	N/A	F&B
3	Vision	2,724	1,498,387	N/A	F&B

* Generally speaking, The Roundhouse would net 15% of gross sales either from operations or by way of rental income

Similar to retail and attractions space and facilities, **we recommend that there be prepared at an early date a proposal call for expressions of interest from quality restaurateurs and food and beverage managers to undertake all restaurant, bar, food and beverage and functions catering operations for a fee or percentage of revenues.** (There are a number of restaurateurs in Ontario who own, or operate from, heritage rail dining cars.) Depending on the structure of the deal, the private sector food and beverage operator might assume the initial capital costs of restaurant operations, thereby reducing the funding required.

During the course of the Task Force's series of meetings, we met on a couple of occasions with an individual entrepreneur who had conceived and developed (and might be prepared to finance) a restaurant concept of table service by model train. The technical, financial and other aspects of this intriguing concept might be investigated further.

As with any commercial proposal, the design of any restaurant facilities in The Roundhouse or Park should meet certain criteria or architectural design approval of the owner, thereby maintaining control over the building preservation and park features.

- **"All-Weather" Status of Project (Year-Round Access)**

The EPG Feasibility Analysis, in assessing revenues from The Roundhouse project, has assumed that it would be a year-round, all seasons tourism attraction. This can be achieved by 'zoning' the building's climate control, for example, by fully insulating and heating the visitors' centre and display areas, and by providing minimal heating to the remainder of the building, thereby eliminating high energy and other operating costs. To the extent that the capital costs do not provide for usage during winter months or inclement weather, there will inevitably be a shortfall in revenues. **We strongly recommend that The Roundhouse project contemplate, not only year-round use, but also all-weather connections.** For example, in the investment levels in Appendix 9 to the Task Force report, there is in the Ultimate investment level an all-weather connection from the CN Tower at a cost of \$1,000,000 which, on a priority basis, we would be inclined to move to the first level of investment. Also, in the Ultimate investment level, there is contemplated to be an ice track in the Park. We believe this to be a novel idea,

which would increase usage by the general public and visitors in the winter months, and would add to the viability and vitality of The Roundhouse project.

The foregoing comments are somewhat subjective, but are indicative of the prioritization of capital costs which might be considered to make the integrated heritage centre/museum and park, not only self-sustaining, but also 'user-friendly'. (Similar considerations for year-round access such as heating and maintenance have been made for Aberdeen Pavillion in Ottawa and have been incorporated into the program and design of that site.)

This leads us to a further comment that, if the attendance levels in the EPG Financial Analysis are to be achieved, then **all accesses and egresses from neighbours which contribute to synergies in attendance must also be well thought out and user-friendly. In particular, in our view, 'connections' to the Convention Centre should be further studied and upgraded.**

- **Traffic Study, Public Transportation, Parking, Services, Entrances and Security**

Depending on the level of investment and the demand generating attractions, it is estimated that the annual paid attendance to The Roundhouse will be in the range of 450,000 to 855,000. In addition, there will be (non-paying) visitors to the Park.

It is unclear to us whether the issues of traffic, public transportation to the site, adequacy of parking, clear definition of entrances, planning for services such as delivery, garbage collection, etc. and security for certain key areas have been adequately researched and planned for The Roundhouse and heritage Park.

Should it be determined that parking facilities should be constructed at or adjacent to this site, then the potential significant revenues which might accrue from parking should be shared with the Convention Centre and other users in such a way as to benefit The Roundhouse in mitigating its cost of operations.

Should City Council give its approval of this project, then these particular issues of parking site and servicing should be dealt with on a priority basis if self-sufficiency is to be attained.



SECTION 3:

SOURCES OF FUNDING

Capital and Non-Capital

Most of the public sector funding programs relate to capital works, although some funding, particularly relating to cultural economic development and tourism initiatives, is available for feasibility studies, business plans, etc.

The following are our ideas and suggestions to date to achieve funding for the **birth** phase of The Roundhouse and Park, at a combined capital cost of, say, **\$25 million**, which should be appropriately allocated to the available options and sources:

1. Canada Ontario Infrastructure Works (COIW) Program

We understand that the City is applying for funding for the Roundhouse and Park under the Canada Ontario Infrastructure Works program. Based upon discussions we have had with Federal and Ontario government officials, we also understand that **should City Council so wish, an expanded application under the Infrastructure program could be made to increase the requested funding for this particular project, provided it is consistent with the established criteria of the Infrastructure program. The application should also recognize The Roundhouse - a National Historic Site - as a strategic link from the downtown core of the City to Harbourfront and the Waterfront, and a key for opening the presently inaccessible Railway Lands to the public.** (As this program is scheduled to expire within two years, there is some urgency to make this application as comprehensive and in as timely a fashion as possible.)

2. Infrastructure Funding for Transitional Soft Costs

It is suggested that any infrastructure funding application include permitted soft costs to ensure proper planning, management co-ordination, marketing and monitoring of the conceived Business Plan in the transitional phase from this

point in time until the opening of the Convention Centre in 1997. Professional management will need to be in place to manage and market the facility on an aggressive, commercial basis.

3. Expressions of Interest from the Private Sector for Capital Works

Contemporaneous with the design competition for the design of Roundhouse Park which is contemplated in agreements with Marathon Realty, **we recommend that the City seek expressions of interest from the private sector, including neighbours, for the development of a significant portion of The Roundhouse building (to be determined) for restaurants, tourism attractions, retail uses, interpretive exhibits, high-tech, interactive exhibits, all of which would be compatible with The Roundhouse, railroad, steam era to modern transportation and communications theme.**

4. Jobs Ontario Community Action (JOCA)

We also suggest that an application might be made by the City under the jobs Ontario Community Action program for funds for a very specific aspect of The Roundhouse building, or a specific tourism attraction, provided there were no actual or perceived 'double dipping' in requesting funds for the same use from two sources. Provincial funding under this program generally represents only one-third of the cost; the other two-thirds funding required to obtain one-third funding through JOCA can be obtained from any source (private, municipal, federal, not for profit); however, other funds received from the provincial government or being applied for under another provincial government program cannot be used by a JOCA applicant to offset or lower this two-thirds requirement. Therefore, there would need to be private sector or heritage community sector participation in the specific separate project being considered. Unlike the infrastructure program, JOCA currently does not have a specific expiry date and the program is accepting applications.

5. Heritage Canada, Museum Assistance Program (MAP)

Based on our research, there appear to be no or limited funds available for the museum component of The Roundhouse under the Museum Assistance Program (MAP) or Heritage Canada. However, further follow-up might be made to attempt to fund some minor museological or heritage aspect of the overall project. On balance, we would concentrate on other sources of available funds.

6. National Cost-Sharing Program, National Historic Parks and Sites Directorate Canada

The National Cost-Sharing Program may contribute to the preservation of architectural and historic sites and structures of outstanding national significance such as The Roundhouse. (There has already been an example in Toronto - George Brown House - in which the National Cost-Sharing Program assisted in developing a display of George Brown's private library and artifacts.)

Municipalities such as Toronto and historical societies concerned with Canada's cultural heritage may receive financial assistance through the cost-sharing program to preserve, stabilize and restore sites of outstanding national significance.

The Minister of the Environment may contribute up to fifty percent (50%) of the approved preservation project costs, to a maximum of \$1,000,000.

In the case of The Roundhouse, the potentially eligible project costs might include:

- Cost of labour and material required to stabilize and restore the existing site.
- Costs for an approved Conservation Report, working drawings and studies directly related to the development of the Report.

Certain project costs such as costs of operation and maintenance, modern services, anachronistic renovations and adaptations, furnishings and period

reconstructions, would be ineligible.

To receive financial contributions from the Minister of the Environment the following conditions would need to be met by the City:

- Declaration of The Roundhouse as of national historic and/or architectural significance, and to be appropriate for cost-sharing.
- Canadian Parks Service cannot be the owner.
- Submission of a Conservation Report for approval by Parks Canada.
- Cost-sharing partner must be willing to manage the preservation project work.
- Cost-sharing partner must provide for the long-term operation and maintenance of the preserved structure as all contributions by the Minister of the Environment are for capital works only.
- Cost-sharing partner must agree to prominently display bilingual plaques or signs that acknowledge Canadian Parks' contribution and that commemorate the site or structure as a place of national significance.
- Other conditions with which we feel confident the City could comply.

Since The Roundhouse has already been declared as a National Historic Site, we recommend that this avenue of funding be pursued.

7. Heritage Community Fundraising

The heritage and locomotive and railway preservation communities might be requested to form a cohesive, tax-effective group for the purpose of raising funds with a specific monetary target from their members and the public at large to restore unique pieces of equipment or to assist in building certain aspects of a top quality railway museum with flexibility and broad scope. For example, during Expo 86 in Vancouver, B.C., the centrepiece of the fair was the ex-CPR Drake St. Roundhouse with cosmetically restored 4-4-0 No. 374 sitting on the turntable. To raise funds for restoration, personalized bricks were "sold" for about \$20 each (through Esso) and placed around the turntable, each brick bearing the name of its sponsor. We understand that about \$4 million was raised in this manner.

8. Sponsors

Consistent with our advice to ensure professional management with marketing expertise is in place, **we recommend that a plan be developed to attract high quality sponsors for all aspects of The Roundhouse project.** In this regard, in Appendix 2 we have attached a list of the categories of sponsorship which might be sought. In addition, as the project matures, sponsors should be enlisted for changing and enchanting exhibits. It is difficult to quantify what funds might be raised from commercial sponsorships, particularly in the consumer area; however, interviews we have conducted to date indicate that sponsorship (and advertising) funds realistically could go a long way to defraying annual operating costs.

9. Volunteers

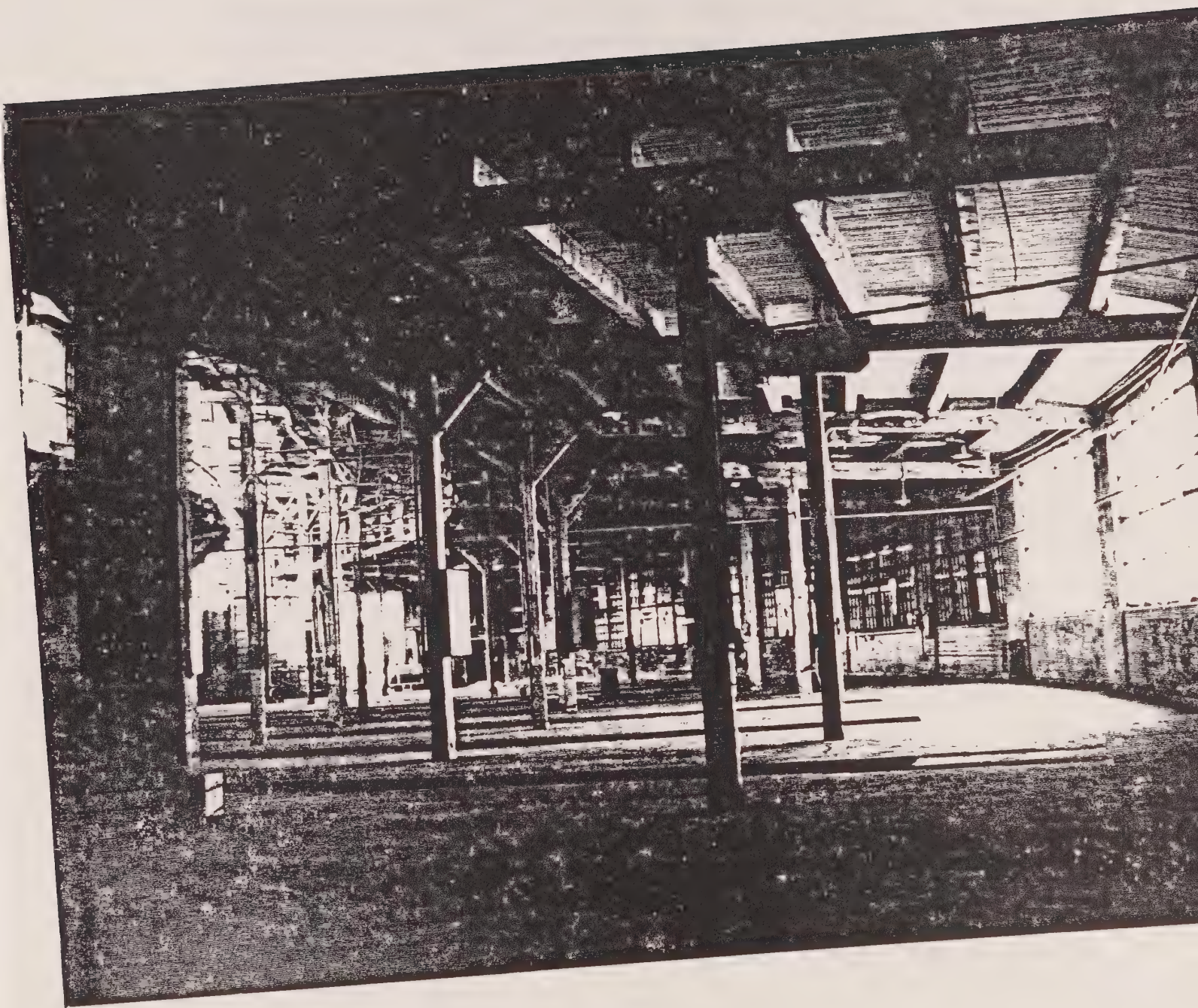
In the EPG report, credit (to reduce operating costs) was given for the efforts of volunteers. **Those members of the Task Force knowledgeable about heritage, railway restoration and model railway volunteers should be encouraged to marshall these volunteers, who might include present and former employees and pensioners of the railways, members of unions, etc., under the guidance of The Roundhouse management** to contribute their time and talent to:

- equipment restoration
- artifact accumulation
- model train system attraction
- archival research
- other worthwhile endeavours suitable for volunteers

10. The Railways

While recognizing that both major railways have already given away a significant number of their historic engines and rolling stock, **CN and CP should be reapproached to assist with the realization of The Roundhouse project, to provide:**

- sponsorship or funding
- donations of equipment and artifacts
- assistance with transportation of engines and equipment
- storage facilities for excess equipment
- technical advice and know-how
- assistance and volunteer support from current staff and/or pensioners
- any other support



SECTION 4:**KEY COMPONENTS OF A MORE COMPREHENSIVE BUSINESS PLAN**

The Roundhouse concept must, first of all, be more clearly defined and refined before a more comprehensive Business Plan can be prepared. For example, does the City accept A Modest Heritage Centre or Enhanced investment level, or a variation thereof. Any concept adopted must ensure success and avoid "half pregnancy". The concept must have a broad appeal to a wide range of constituencies, the academic, the fun-seeking, the serious, the popular, the social historian, the preservationist, the railway buff, the educators, the schoolchildren, labour and unions, etc.

Business plans are the preferred mode of communication between an owner, in this case, The City, (of an idea or property, The Roundhouse) and potential investors - all other levels of government, the private sector, the heritage and railway communities and the public at general.

A properly prepared Business Plan is essential if The Roundhouse is to meet its goals of serving the City, its various other constituencies and its investors at a minimal or acceptable annual net operating cost before attaining long term profitability.

In short, The Roundhouse Business Plan should be simply a written representation of where the project is going, how it will get there and what it will look like once it is completed in growth phases or ultimately.

The Roundhouse Business Plan should be prepared and used:

- to communicate the project's message and viability to potential funding providers and investors, to its directors and management;
- to advise the public of the tourism economic impact and benefit of a 15-acre Park designed as a scenic retreat and Toronto meeting place in the heart of the City;
- to set objectives for the project's performance;

- to provide a basis for controlling that performance.

The same Business Plan, with required modifications, can be used for various purposes. Business plans can be prepared on a macro and a micro basis. For example, separate but integrated business plans might be prepared for The Roundhouse building, for commercial aspects of The Roundhouse project, for the Park and for its various tourism attractions.

The Business Plan would be the beginning of a **strategic** plan over a period of time, with the initial phase being the opening of The Roundhouse contemporaneously with or followed shortly after the completion of the Metro Toronto Convention Centre. The business plan should document various **milestones** along the project's path to economic success.

Potential funders such as the Canada Ontario Infrastructure Works program, jobs Ontario Community Action program, Heritage Canada, etc. and potential private sector sponsors and investors must be told of the **opportunity and economic benefit** of The Roundhouse through its business plan(s).

Once The Roundhouse's initial concept has been crystallized, the purposes of its Business Plan should be multifaceted:

1. To attract public sector support;
2. To attract private sector sponsors;
3. To attract commercial investors, such as restaurant, retail and attraction areas;
4. To seek the financial fundraising support of the heritage and railway communities;
5. To indicate to the public the potentiality of The Roundhouse and the Park;
6. To document an operational plan for controlling the project.

An overview of how all of the elements of The Roundhouse building and Park fit together is described in some considerable detail in the Task Force report. In any Business Plan, there should be not only a précis of the development but also highlights of its nature and distinctiveness.

(a) Nature

1. Edutainment
2. Heritage centre, railway museum
3. Tourism attraction
4. Exciting public park

(b) Distinctiveness

1. Key geographic location - linkage from City to waterfront
2. Neighbours - CN Tower, MTCC, Skydome, Harbourfront
3. Meets City's, Province's and Federal Government's tourism initiatives

The Market Analysis has, to an extent, been considered in the EPG report. However, **detailed market research studies should be prepared and presented to support the Business Plan**, addressing:

- (a) the edutainment industry
- (b) target markets
- (c) market penetration
- (d) pricing/gross margin targets, entrance fees, retail, food sales, etc.
- (e) synergies, linkages, cross marketing with neighbours
- (f) market test results
- (g) competition
- (h) media through which target market can be reached

To enable The Roundhouse to meet the forecasts in its prospective financial statements, its marketing management or joint venture partners will need to develop an **overall marketing strategy** which might include:

1. Market penetration strategy
2. Growth strategy
 - (a) Expansion of Roundhouse renovation, displays, exhibits
 - (b) Attractions

- (c) Leasing of retail space
- (d) Restaurant and catering

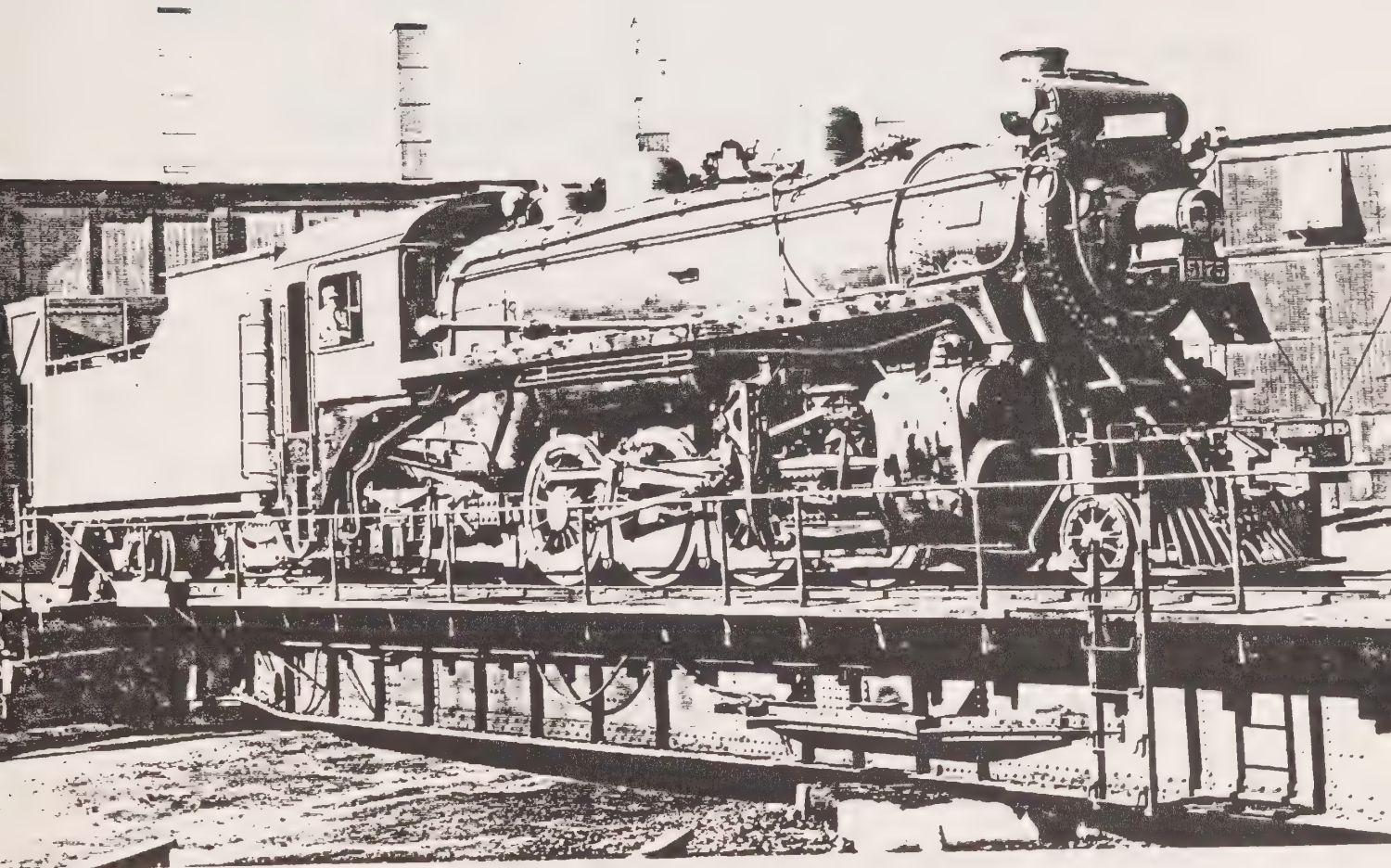
3. Communication

- (a) Heritage railway publicity endeavours
- (b) Promotion
- (c) Advertising, sponsors
- (d) Public relations
- (e) Printed materials (catalogues, brochures, etc.)

Finally, in Appendix 3 we have set out a synopsis of the funding requirements and financial data which normally would be included in a comprehensive Business Plan to ensure success of a tourism and recreational facility such as The Roundhouse and Park.

* * * * *

Although a further series of business plans needs to be prepared, our preliminary conclusion is that with sufficient starting investment, the prioritizing of capital costs and demand generating attractions, proper selection, display and interpretation of locomotives, rolling stock and artifacts, and aggressive management and marketing expertise, the prospects for attaining a self-sustaining project over the long term, at this strategically located National Historic Site, are promising.



THE ROUNDHOUSE

**LOCOMOTIVES AND ROLLING STOCK
in the John Street Collection
or to be considered for acquisition
by way of gift, loan, lease or purchase**

						Number of Pieces
John Street Collection						
<ul style="list-style-type: none"> Toronto (stored in former CP John Street Roundhouse for eventual display) (*previously part of C.R.H.A.'s Harbourfront display) 						
*70			1913	Caboose	ex-TH&B #70; nee TH&B #51	1
*2300	CC&F		1921	Tram	ex-Canadian Railway Museum #2300; neeTTC #2300, (1963)	
4803	GMD	A537	8/53	GP7	(Large Witt) ex-CN #4803, 1984; exx-CN #4353:1, 1957; exxx-CN #1703:1, 1956;	2
7020	ALCO	72855	8/44	S-2	nee CN #7558, (1954)	3
7069	BLW	73946	9/48	DS4-4- 1000	nee CP #7020, (1986)	4
*188625	CP		1917	Box Car	nee CP #7069, (1978)	5
*411281	CC&F/CP		1931	Work Car	ex-CP #188625 (Outside Braced Wood)	6
"Cape Race"	NSC/CP		1929	Official	ex-CP Work Car #411281, 1988; nee CP '14' Sleeper "Jackman", (1960)	7
					ex-CP #13; exx-CP Sleeping- Solarium Lounge "Cape Race", 1963; exxx-CP "Cape Liard", 1947; nee CP Buffet-Solarium Lounge "River Liard", (1941) Owned by Upper Canada Railway Society	8
Locomotives for Potential Acquisition						
<ul style="list-style-type: none"> From Canadian Railway Museum, Delson-St. Constant Quebec (likely only available by way of loan) 						
	CPR 2341		4-6-2		Built 1926	9
	CNR 5702		4-6-4		Built 1930	10
	CPR 7000		Diesel Switcher		Built 1937	11
	CNR 4100		2-10-2		Built 1924 (in transfer service in Toronto)	12

- Donated to Toronto and York Division, CRHA currently stored at CN Taschereau Yard, Montreal

CNR 9171	F3A Diesel	Built 1948	13
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- From National Museum of Science and Technology, Ottawa (only available by way of loan)

CPR 1201	4-6-2	Built 1944	14
CPR 3100	4-8-4	Built 1928	15

- From Marine Museum, Toronto (possibly donated by its owner, the City of Toronto)

CNR 6213	4-8-4	Built 1942	16
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- From Dresser Industries Plant, Depew (Buffalo) New York (likely by loan)

CPR 5361	2-8-2	Built 1926	17
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- From Canac, Montreal

VIA FPA-4	A & B Diesel Units		18
& FPB-4			19

\$20,000 per unit - Transfer costs would be additional.

- From Rome Locomotive Works, Rome, New York (owned by noted railway photographer O. Winston Link and is being held for restoration by the Rome Locomotive Works which is in bankruptcy. Acquisition cost is unknown.)

CPR 453	4-6-0	Built 1912	20
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Additional Locomotives and Rolling Stock to be Considered

- From Huron County Pioneer Museum, Goderich (likely by loan)

CPR 6375	0-6-0	Built 1913	21
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- From Canadian Railway Museum, Delson-St. Constant Quebec

CPR 420800	Flat car		22
CNR 2335	Coach		23
CPR 56	Sleeper then parlour car then rules instruction car		24

- From Smiths Falls Railway Museum

CNR 7195	Combine		25
Handcar	(manually operated track vehicle)		26

Formerly part of the Toronto and York Division collection.

- From CN North America, Transcona Shops, Winnipeg

CNR 51031	Jordan spreader		27
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- From Point Edward, Bayview Park, Front Street - Sarnia

CNR 6069	4-8-2	Built 1944	28
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- From TTC Roncesvalles carhouse

2766	Small Witt-type Toronto streetcar	Built 1923	29
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(presently owned by TTC and undergoing restoration)

THE ROUNDHOUSE

SPONSORSHIP OPPORTUNITIES

Sponsorship Objectives:

As with any commercial sponsorship, the goal of supporters of the Roundhouse and Park is to maximize sponsorship opportunities to, and exposure on, the site, thereby maximizing revenues to offset operating costs. Recognizing that there is a spending shift in sponsor dollars to include a higher percentage of music, historical preservation and cultural events, the Roundhouse could be perceived to be an opportunity to capitalize on all of these areas. Association with a "significant historical site" in a major downtown area, generates a positive image for any consumer or other corporate sponsor. Customized and specific sponsorship packages could be developed and targeted at the appropriate market.

Sponsorship Commitment

The sponsorship component of The Roundhouse is integral to the success of the redevelopment of the site. The redevelopment and ongoing operation of the proposed site relies on the support of a limited number of major sponsors with product and/or theme area exclusivity, service sponsors with contra deals (a form of barter or exchange of goods or services for advertising), as well as fees or revenues from leases and individual events. A side revenue opportunity will come from merchandising and ticket receipts. Sponsors could choose from different levels of sponsorship for all components of the redevelopment with either a financial commitment or in-kind donation of product and services. These categories may include:

- Title Sponsor;
- Associate Sponsors;
- Theme/Area Sponsors;
- General Sponsors; and
- Services or Building Sponsors (contra)

Sponsorship Packages could be developed by a professional staff and customized for each category available. Packages are designed to ensure a positive image of the sponsor, sponsor awareness, and awareness of the site. The Sponsorship drive could commence in anticipation of the opening of the site.

The tie-in of name with the site name, right to use and promote sponsorship, right to develop cross promotion, usage of the logo, mention in all advertising and all print materials, inclusion in all paid and placed advertising and access to premium signage on the site would be a Presenting Sponsor's major benefits. Access to use of venue for VIP's or Company Executives and their guests might be included in this package. Associate or Participating Sponsors would also be tied to the site and name in a lesser or secondary role. Associates would have restrictions on signage and less access to advertising. Theme/Area Sponsors include those who sponsor specialty display areas or exhibitry on the site or in its buildings. General sponsors would receive a minimum of benefits primarily for use within their own activities, and very limited signage on the site.

In addition to these sponsor packages, there may be two or three additional types of site sponsors at The Roundhouse and Park, including a stage sponsor and major display contributors.

THE ROUNDHOUSE

SYNOPSIS OF FUNDING REQUIREMENTS AND FINANCIAL DATA NORMALLY INCLUDED IN A COMPREHENSIVE BUSINESS PLAN

FUNDS REQUIRED AND THEIR USES

A. Current Funding Requirements

1. Amount
2. Timing
3. Type
 - (a) Government
 - (b) Sponsorship - private sector
 - (c) Commercial partners; retailers
 - (d) Membership in museum
 - (e) Donations

B. Funding Requirements over the next Five Years

1. Amount
2. Timing
3. Type

C. Use of Funds

1. Capital expenditures
2. Acquisitions
 - (a) Rolling stock
 - (b) Attractions

D. Long-Range Financial Strategies

FINANCIAL DATA

Financial representation of all information presented elsewhere in the Business Plan. Various scenarios can be included, if appropriate.

A. Current Financial Data

1. Current financial position
2. Balance sheet
3. Cash flows

B. Prospective Financial Data
(next five years)

1. Next two years (by month or quarter)
 - (a) Capital expenditure budget
 - (b) Balance sheet
 - (c) Cash flow statement
 - (d) Income statement
2. Final three years (by quarter and/or year)
 - (a) Capital expenditure budget
 - (b) Balance sheet
 - (c) Cash flow statement
 - (d) Income statement
3. Summary of significant assumptions
4. Type of prospective financial data
 - (a) Forecast (management's best estimate)
 - (b) Projection ("what-if" scenarios)

C. Analysis

1. Prospective financial statements
 - (a) Ratio analysis
 - (b) Trend analysis with graphic presentation
 - (c) Incremental attractions analysis

APPENDICES OR EXHIBITS

Appendices and exhibits would be bound separately from the other sections of the Business Plan and provided as needed to readers.

- A. Schematic of The Roundhouse and Park**
- B. Rendering of the renovated Roundhouse by phases**
- C. Market studies and strategies**
- D. Résumés of Key Management**

E. Pertinent Published Information

1. Magazine articles
2. References to similar tourist attractions in Canada, USA, UK, Europe and Australia.

G. Significant Contracts

1. Leases
2. Purchases contracts
3. Ownership/partnership agreements
4. Insurance
 - (a) General liability
 - (b) Officers' and directors' liability
 - (c) Other

THE ROUNDHOUSE

LIST OF PEOPLE INTERVIEWED AND CONSULTED

- Andreae, Chris
Historica Research Ltd.
- Beecroft, Jane
"Our Waterfront" c/o CHP Heritage Centre
- Bouskill, Charles
Regional Director for the Central Ontario Region
Regional Support Services Branch, Recreation Division
Ministry of Culture, Tourism and Recreation
Province of Ontario
- Cane, Fred
Conservation Officer
Cultural Programs Branch, Culture Division
Ministry of Culture, Tourism and Recreation
Province of Ontario
- Denbak, Suzanne
Metropolitan Toronto Convention Centre
- Doidge, Mark
President
Choo Choo Charley's
- Eggleton, Arthur
President
Treasury Board
Federal Government
- Gutteridge, Barry H.
Director, Realty Services Division
City of Toronto, Property Department
- Hiley, Stephen
Director of Planning Development, Ontario
Marathon Realty Company Limited
- Hite, Calvin F.
Assistant Superintendent
Steamtown National Historic Site
Scranton, PA

- Johnson, James
Controller
Steamtown National Historic Site
Scranton, PA
- Kyle, Christopher
Canadian Railroad Historical Association
- Laviolette, H. Ralph
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Great Lakes Region
CN North America
- Maxwell, John
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Tourism Division
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Stephen G. McLaughlin Consultants Inc.
- Monaghan, David
Curator
National Museum of Science and Technology
Ottawa
- Peterson, James
Chairman
House Finance Committee
Federal Government
- Pirk, Commissioner Herb
City of Toronto
Department of Parks and Recreation
- Richardson, Susan
Director of Parks Planning
City of Toronto
Parks and Recreation Department

- Stinson, William
President
Canadian Pacific
- Swanston, Ian
General Manager, Development Ontario
Marathon Realty Company Limited
- Tevlin, John D.
President
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- Whaling, Geoff
Geoffrey Whaling and Company
Taste of Toronto
- White, Ken
CN North America

Photograph and Illustration Credits:

John Street Roundhouse Ground Floor Plan, Hotson Bakker Architects, November 1994.

John Street Roundhouse (photograph) October 18, 1929, Toronto Sun Library, courtesy of Mr. Mike Filey.

Birdseye View of John Street Roundhouse Site (photograph), Hotson Bakker Architects, 1994.

John Street Roundhouse Switches (photograph), Hotson Bakker Architects, 1994.

Interior view of John Street Roundhouse (photograph), Hotson Bakker Architects, 1994.

Train at John Street Roundhouse (photograph) date ?, Toronto Sun Library, courtesy of Mr. Mike Filey.

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